

Banco Nacional  
de Crédito, C.A., Banco  
Universal and  
Foreign Branch

**Consolidated Financial  
Statements**

31 December and 30 June 2024

With Independent Auditors'  
Report Thereon

# Content

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## Independent Auditors' Report

To the Stockholders and Board of Directors of  
Banco Nacional de Crédito, C.A., Banco Universal and Foreign Branch:

### Opinion

We have audited the consolidated financial statements of Banco Nacional de Crédito, C.A., Banco Universal and its Foreign Branch (the Bank), which comprise the consolidated balance sheets at 31 December and 30 June 2024, the consolidated statements of income and net income allocation, changes in equity and cash flows for the six-month periods then ended and the notes that contain significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly in all material aspects, the consolidated financial position of the Bank at 31 December and 30 June 2024, its consolidated financial performance and consolidated cash flows for the six-month periods then ended, all in accordance with the Accounting Manual for Banking Institutions and other prudential regulations issued by the Superintendency of Banking Institutions.

### Basis for our Opinion

We conducted our audits in conformity with International Auditing Standards (IAS). Our responsibilities according to these standards, are described in the *Responsibilities of the Independent Auditor for the Consolidated Financial Statements Audit* section of our report. We are independent from the Bank according to the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (including International Standards on Independence) (*IESBA Code*) applicable in Venezuela and, we have fulfilled our ethical responsibilities based on this code. We believe the audit evidence found is sufficient and appropriate for providing a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that in our professional judgment, have the utmost importance in our audit of the consolidated financial statements for the current semester. These matters are treated in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express a separate opinion thereon.

## Allowance for Loan Portfolio

See notes 3(e) and 8 to the consolidated financial statements.

Key audit matter	How key matter is treated in our audit
<p>Estimating the allowance for loan portfolio involves certain significant judgments in order to assess loan quality of debtors by taking into account the standards regarding how the risk is classified for loan portfolio and to calculate the allowances established by the Superintendency of Banking Institutions (the Superintendency), for both, the underlying uncertainty therein and the operational changes and requirements of the Venezuelan Government and the Superintendency. Both aspects are rather complex and, are faced by the Bank with effects and risks on the consolidated financial statements. Similarly, consideration is also taken by the Bank at the time of determining the specific allowance, certain non-compliance aspects in connection with the conditions under which loans were originally granted, the absence of financial information, the debtors facing issues for generating their own resources and enabling them to honor the loans, any insufficient guaranties and extrajudicial recoveries, amongst other, which are used as input for calculating said allowance.</p> <p>Additionally, a 1% general allowance on the loan portfolio's principal balance is required, except the microcredit portfolio for which, a 2% allowance on the principal balance is kept by the Bank. Similarly, the Bank maintains a 0.75% counter-cyclical allowance on the gross balance of the loan portfolio</p> <p>The use of certain significant judgments for estimating the allowance is a key audit matter due to the underlying complexity of considering all factors that may affect its calculation.</p>	<p>Our auditing procedures included, amongst other:</p> <ul style="list-style-type: none"> <li>– Identifying the credit risk management framework and assessing how the Bank's accounting policies align with the standards established by the Superintendency.</li> <li>– Assessing appropriate classification on the basis of the loan portfolio risk, according to the standards issued by the Superintendency.</li> <li>– Testing relevant controls on loan granting, assessing loan conditions, guaranties and terms, amongst other, in compliance with the standards issued by the Superintendency and policies established by the Bank, through the inspection of each loan file.</li> <li>– Obtaining the list of the 500 main Bank debtors and assessing how the different regulations issued by the Superintendency apply to them.</li> <li>– Assessing whether the allowance is sufficient based on the guidelines established by the Superintendency in connection with risk assessment.</li> </ul>

Information Technology (IT) associated risks	
Key audit matter	How key matter is treated in our audit
<p>The Bank operates through a complex IT environment with different data processing centers.</p> <p>Automated accounting entry procedures and IT environment controls are included in governance; access, development and program changes overall controls; data and application programs, must be designed and must operate effectively to ensure both integrity and accuracy when issuing financial information.</p> <p>Risks associated with IT systems and controls on financial reporting are a key audit matter as the Bank's accounting systems and financial reporting rely on such systems and on the different overall existing controls for different application systems.</p>	<p>Our auditing procedures include the involvement of our IT specialists in order to assist us in:</p> <ul style="list-style-type: none"> <li>– Assessing the design and implementation of controls on key systems that process the Bank's financial information in two areas: <ul style="list-style-type: none"> <li>(i) IT overall controls on the different technology platforms regarding user access, applications and data, management of application changes, management of systems development, and management of operations in the production environment.</li> <li>(ii) Automatic controls: Assessment of vulnerabilities linked to information integrity, accuracy and availability.</li> </ul> </li> <li>– Assessing the operating efficiency of IT controls implemented on key systems that are processing the Bank's financial information and related to compensating controls that mitigate the underlying risks, if any.</li> </ul>

### Emphasis of Matter

We draw attention to note 5 to the consolidated financial statements, which discloses that the Bank is obligated to maintain in the account of the Central Bank of Venezuela (the BCV account) a legal reserve in legal tender (bolivars) calculated based on the total net obligations in domestic and foreign currency. The minimum legal reserve established is 73% of the amount of net local currency obligations, and 31% of the amount of net foreign currency obligations, for the semesters ended 31 December and 30 June 2024. These obligations on the legal reserve have originated and may continue to represent challenges for the Bank in terms of its monetary liquidity and financial intermediation. Our opinion remains unchanged regarding this matter.

### Other Information

Management is responsible for the other information, comprising the Second Half 2024 Report, which includes the consolidated financial statements and our report of independent public accountants. It is expected that the Second Half 2024 Report will be available to us after the date of this independent auditors' report.



Our opinion on the consolidated financial statements does not include the other information and we will not express any kind of assurance conclusion on such other information.

Regarding our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Should we, upon reviewing the Second Half 2024 Report, come to the conclusion that there is a material misstatement in the report, we are required to communicate the matter to those charged with corporate governance.

### **Responsibility of Management and of those in charge of Corporate Governance for the Consolidated Financial Statements**

Management is responsible for preparing and presenting fairly the consolidated financial statements in accordance with the Accounting Manual for Banking Institutions and other prudential regulations issued by the Superintendency of the Banking Sector Institutions and, for internal control as deemed necessary by the latter in order to prepare the consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, by disclosing, as the case may be, those matters relating to a going concern and by using the going concern basis of accounting, unless Management intends to liquidate the Bank, or bring its operations to a standstill, or has no realistic alternative but to do so.

Those in charge of corporate governance are responsible for overseeing the Bank's financial reporting process.

### **Responsibilities of the Independent Auditor for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole, are free of material misstatement due to fraud or error and, to issue an independent auditors' report that includes our opinion thereon. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISA will always detect material misstatement when present. Misstatements can arise from fraud or error and, they are considered material if individually or in the aggregate, it could be reasonably expected that they may affect the economic decision-making of users on the basis of these consolidated financial statements.

As part of an audit carried out pursuant to ISA, we exercise our professional judgment and maintain professional skepticism during the entire audit. In addition:

- We identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. We design and conduct auditing procedures in light of these risks and audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than the risk resulting from error, as fraud can imply collusion, forgery, intentional misrepresentation, false declarations, or the avoidance of internal control.
- We obtain an understanding of internal control relevant for the audit, in order to design the auditing procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Bank.



- We assess whether the accounting policies used are appropriate and, whether the accounting estimates and disclosures made by Management are fair.
- We conclude on whether the use by Management of the going concern basis of accounting is appropriate and, based on the audit evidence obtained, whether there is material uncertainty or not in connection with any events or conditions that could cast significant doubt on the Bank's ability to continue as a going concern. Should we conclude that there is material uncertainty, we must draw attention in our independent auditors' report on the disclosures relating the consolidated financial statements, or whether such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence that we obtained until the date of our independent auditors' report. However, future events or conditions could lead the Bank to cease operations as a going concern.
- We assess the overall presentation, structure and contents of the consolidated financial statements, including disclosures and, whether they represent the underlying transactions and events so that they are fairly presented.
- We obtain sufficient and appropriate evidence in connection with the financial information of the entities or activities of the Bank's business, to express an opinion on the consolidated financial statements. We are responsible for the management, oversight and conduction of the Bank's audit. We are solely responsible for our audit opinion.

We communicate with those in charge of corporate governance in regard to, amongst other matters, the scope and timeframe planned for the audit and significant findings including any important deficiency in internal control as it may be identified during the course of our audits.

We also provide those in charge of corporate governance with a statement on our compliance with the ethical requirements applicable in connection with independence and we communicate with them on any links and other issues that could reasonably affect our Independence and, as the case may be, of any action taken to eliminate threats or any safeguards applied.

Based on the matters informed to those in charge of corporate governance, we have determined those matters with the highest importance in the audit of the consolidated financial statements of the current semester, which are, consequently, key audit matters. We describe these matters in our independent auditors' report, unless there may be any laws or regulations that ban us from publicly disclosing the matter, or when, by reason of extremely unusual circumstances, we determine that a certain matter should not be communicated in our report because it may be reasonably expected that any adverse consequences from such disclosure may exceed the public interest's benefits thereon.

#### **Ostos Velázquez & Asociados**

Jacques R. Valero Rauseo  
Public Accountant  
C.P.C. N° 14.257  
S.I.S.B. N° CP-576  
S.N.V. N° V-897

17 February 2025  
Caracas, Venezuela

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Consolidated Balance Sheets

31 December and 30 June 2024

(In bolivars)

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	5	14,982,282,356	13,206,492,467
Cash		5,577,219,208	5,531,138,529
Central Bank of Venezuela		4,620,442,578	4,810,895,677
Banks and other national financial institutions		571,931	107,813,994
Banks and correspondents abroad		4,784,048,639	2,756,188,867
Bills for immediate collection		-	455,400
Provision for cash and cash equivalents		-	-
INVESTMENT SECURITIES	7	5,570,851,680	958,860,586
Placements in the Central Bank of Venezuela and interbank operations		3,632,790,000	-
Trading investment securities		-	-
Available-for-sale investment securities		148,081,241	101,007,494
Held-to-maturity investment securities		1,185,430,302	451,564,671
Restricted availability investments		604,550,137	406,288,421
Other investment securities		-	-
Provision for investment securities		-	-
LOAN PORTFOLIO	8	13,804,812,109	7,678,919,110
Current loans		13,742,014,614	7,735,234,561
Restructured loans		201,868,934	95,927,381
Overdue loans		289,723,176	101,575,845
Loans under litigation		2,608,377	-
Allowance for loan portfolio		(431,402,992)	(253,818,677)
INTEREST AND COMMISSIONS RECEIVABLE	9	198,709,270	51,871,034
Returns receivable from cash and equivalents		-	-
Returns receivable from investment securities		320,205,109	164,510,547
Returns receivable from loan portfolio		148,837,258	59,950,612
Commissions receivable		1,503,077	934,419
Provision from returns receivable and others		(271,836,174)	(173,524,544)
INVESTMENTS IN SUBSIDIARIES, AFFILIATED COMPANIES AND BRANCHES	10	540,941,501	372,599,354
REALIZABLE ASSETS	11	58,046,470	70,485,000
FIXED ASSETS	12	1,154,575,541	946,704,696
OTHER ASSETS	13	5,927,318,496	4,400,612,242
TOTAL ASSETS		42,237,537,423	27,686,544,489

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Consolidated Balance Sheets, Continuation

31 December and 30 June 2024

(In bolivars)

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
<b>LIABILITIES</b>			
CUSTOMERS' DEPOSITS	14	26,747,468,736	17,791,165,936
Sight deposits -		24,117,266,421	15,789,892,585
Non-interest bearing checking accounts		9,971,599,917	6,194,413,826
Checking accounts as per Exchange Market System of Free Convertibility		11,624,556,431	7,216,296,524
Interest-bearing checking accounts		776,633,732	676,031,611
Checking accounts as per Exchange Agreement N° 20		754,251,825	540,749,731
Deposits and sight certificates		976,366,972	1,152,624,276
Special funds in trust		13,857,544	9,776,617
Other sight obligations		22,887,760	9,220,924
Savings deposits		1,860,464,105	1,711,815,222
Time deposits		746,850,450	280,237,205
Restricted customers' deposits		-	-
CUSTOMERS' DEPOSITS AND OBLIGATIONS WITH BANCO NACIONAL DE VIVIENDA Y HÁBITAT		-	-
OTHER FINANCING OBTAINED	15	1,195,208,544	1,529,668,590
Obligations with national financial institutions for up to a year		1,191,076,371	1,527,241,583
Obligations with financial institutions abroad for up to a year		4,132,173	2,427,007
OTHER OBLIGATIONS FOR FINANCIAL INTERMEDIATION		-	-
INTERESTS AND COMMISSIONS PAYABLE	16	30,534,832	32,261,763
Expenses payable for customers' deposits		17,615,337	16,519,564
Expenses payable for other financing obtained		12,919,495	15,742,199
ACCRUALS AND OTHER LIABILITIES	17	4,282,116,029	2,775,029,965
TOTAL LIABILITIES		32,255,328,141	22,128,126,254
<b>STOCKHOLDERS' EQUITY</b>			
CAPITAL STOCK	23	128,959,650	128,959,650
UNCAPITALIZED EQUITY CONTRIBUTIONS	23	377,375,790	377,375,790
CAPITAL RESERVES	23	131,684,104	131,039,306
ADJUSTMENTS TO STOCKHOLDERS' EQUITY	23	7,716,329,460	3,753,469,396
ACCUMULATED INCOME		1,590,966,427	1,119,916,407
UNREALIZED GAIN (LOSS) IN AVAILABLE-FOR- SALE INVESTMENT SECURITIES	7	36,893,851	47,657,686
TOTAL STOCKHOLDERS' EQUITY		9,982,209,282	5,558,418,235
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		42,237,537,423	27,686,544,489
<b>MEMORANDUM ACCOUNTS</b>			
Debtor contingent accounts	22	755,191,403	525,036,797
Trust assets	22(a)	812,770,901	654,596,738
Debtor accounts for other trustworthy assignments	22(b)	405,767	337,057
Other debtor memorandum accounts	22	24,731,123,986	16,391,585,456
		26,299,492,057	17,571,556,048

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Consolidated Statements of Income and Net Income Allocation

Semesters ended 31 December and 30 June 2024

(In bolivars)

	Notes	Semesters ended	
		31 December 2024	30 June 2024
FINANCIAL INCOME		2,023,584,529	1,066,626,600
Income from cash and cash equivalents	5	19,934,998	12,167,734
Income from investment securities	7	147,695,166	26,503,782
Income from loan portfolio	8	1,840,081,719	1,014,514,239
Income from other accounts receivable	14	15,872,646	13,440,845
Other financial income		-	-
FINANCIAL EXPENSES		(1,241,139,847)	(986,658,160)
Expenses from customers' deposits		(441,529,559)	(388,020,780)
Expenses from customers' deposits and obligations with Banco Nacional de Vivienda y Hábitat		-	-
Expenses from other financing obtained	15	(355,387,614)	(411,997,638)
Other financial expenses	5	(444,222,674)	(186,639,742)
Expenses from other obligations for financial intermediation		-	-
GROSS FINANCIAL MARGIN		782,444,682	79,968,440
INCOME FROM RECOVERY OF FINANCIAL ASSETS	8	23,953	3,595
EXPENSES FOR BAD DEBTS AND DOWNGRADING OF FINANCIAL ASSETS		(199,711,897)	(61,569,098)
Expenses from uncollectibility of loans and other accounts receivable	8, 9 and 17	(199,711,897)	(61,569,098)
Constitution of provision and adjustment of cash and equivalents		-	-
NET FINANCIAL MARGIN		582,756,738	18,402,937
OTHER OPERATING INCOME	19	2,597,911,005	2,083,226,364
OTHER OPERATING EXPENSES	20	(400,782,097)	(295,619,887)
FINANCIAL INTERMEDIATION MARGIN		2,779,885,646	1,806,009,414
TRANSFORMATION EXPENSES		(2,204,952,126)	(1,738,097,120)
Personnel expenses		(440,796,822)	(376,904,822)
Administrative and general expenses	21	(1,640,594,785)	(1,256,713,575)
Contributions to the Social Protection Fund for Banking Deposits	25	(54,183,510)	(39,646,963)
Contribution to the Superintendency of Banking Institutions	26	(69,377,009)	(64,831,760)
GROSS OPERATING MARGIN		574,933,520	67,912,294
INCOME FROM REALIZABLE ASSETS	11	247,773	5,271,490
MISCELLANEOUS OPERATING INCOME		82,959,890	17,393,791
EXPENSES FROM REALIZABLE ASSETS	11	(12,720,750)	(4,476,853)
MISCELLANEOUS OPERATING EXPENSES	20	(166,231,641)	(62,347,359)
NET OPERATING MARGIN		479,188,792	23,753,363
EXTRAORDINARY INCOME	12	151,789,594	259,912,684
EXTRAORDINARY EXPENSES		(6,162,610)	(3,793,688)
GROSS INCOME BEFORE INCOME TAXES		624,815,776	279,872,359
NET WORTH TAX	18(f)	(1,573,000)	(13,900,000)
INCOME TAXES	18	(83,421,442)	13,163,162
NET INCOME		539,821,334	279,135,521
<b>NET INCOME ALLOCATION</b>			
Accumulated results		539,821,334	279,135,521
Contribution to the Organic Law on Drugs	20	4,830,000	270,000

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Consolidated Statements of Changes in Stockholders' Equity  
 Semesters ended 31 December and 30 June 2024  
 (In bolivars)

	Notes	Paid-in capital stock	Uncapitalized equity contributions	Capital reserves	Adjustments to Stockholders' equity			Accumulated results					Unrealized net income or loss in available-for-sale investment securities valores (see note 7)	Total Stockholders' equity
					Income or loss from exchange variation for holding of assets and liabilities in foreign currency	Variation of trading loans granted through UVC (see note 8)	Total	Surplus pending allocation	Restricted surplus	Undistributed surplus	Accumulated loss	Total		
Balance at 31 December 2023		128,959,650	300,000,000	130,394,508	3,161,085,227	517,134,751	3,678,219,978	207,143,186	664,565,583	47,092,705	-	918,801,474	52,560,974	5,208,936,584
Adjustments to available-for-sale investment securities at fair market value		-	-	-	-	-	-	-	-	-	-	-	(4,903,288)	(4,903,288)
Income from net exchange variation	23	-	-	-	451,509,796	-	451,509,796	-	-	-	-	-	-	451,509,796
Increase provided by variation in trade loan capital granted through UVC	8	-	-	-	-	72,758,258	72,758,258	-	-	-	-	-	-	72,758,258
Allocation charged to income of benefits generated by increase in variation of loans collected and granted through UVC	8	-	-	-	-	(449,018,636)	(449,018,636)	-	-	-	-	-	-	(449,018,636)
Equity contributions pending capitalization	23	-	77,375,790	-	-	-	-	(77,375,790)	-	-	-	(77,375,790)	-	-
Net income for the semester		-	-	-	-	-	-	279,135,521	-	-	-	279,135,521	-	279,135,521
Social Fund for Contingencies		-	-	644,798	-	-	-	(644,798)	-	-	-	(644,798)	-	-
Reclassification to net income of Curacao Branch		-	-	-	-	-	-	(44,514,471)	-	44,514,471	-	-	-	-
Reclassification to net income of net income from investments in subsidiaries and affiliates	10 and 23	-	-	-	-	-	-	(123,472,038)	123,472,038	-	-	-	-	-
Recognition of dividends declared Consorcio Credicard, C. A.	10	-	-	-	-	-	-	71,918,600	(71,918,600)	-	-	-	-	-
Reclassification to restricted surplus of 50% for the semester		-	-	-	-	-	-	(55,574,506)	55,574,506	-	-	-	-	-
Balance at 30 June 2024		128,959,650	377,375,790	131,039,306	3,612,595,023	140,874,373	3,753,469,396	256,615,704	771,693,527	91,607,176	-	1,119,916,407	47,657,686	5,558,418,235
Adjustments to available-for-sale investment securities at fair market value		-	-	-	-	-	-	-	-	-	-	-	(10,763,835)	(10,763,835)
Income from net exchange variation	23	-	-	-	1,374,280,114	-	1,374,280,114	-	-	-	-	-	-	1,374,280,114
Increase provided by variation of trade loan capital granted through UVC	8	-	-	-	-	3,522,719,312	3,522,719,312	-	-	-	-	-	-	3,522,719,312
Allocation charged to income of the benefits provided by an increase in the variation of loans collected and granted through UVC	8	-	-	-	-	(1,002,265,878)	(1,002,265,878)	-	-	-	-	-	-	(1,002,265,878)
Net income for the semester		-	-	-	-	-	-	539,821,334	-	-	-	539,821,334	-	539,821,334
Social Fund for Contingencies		-	-	644,798	-	-	-	(644,798)	-	-	-	(644,798)	-	-
Reclassification of net income of Curacao Branch		-	-	-	-	-	-	(83,535,298)	-	83,535,298	-	-	-	-
Reclassification of net income of net income for investments in subsidiaries and affiliates	10 and 23	-	-	-	-	-	-	(86,792,328)	86,792,328	-	-	-	-	-
Reclassification of unrealized benefits to loan portfolio as instructed by the Superintendency	23	-	-	-	-	68,126,516	68,126,516	(68,126,516)	-	-	-	(68,126,516)	-	-
Reclassification to restricted surplus of 50% for the semester		-	-	-	-	-	-	(184,746,854)	184,746,854	-	-	-	-	-
Balance at 31 December 2024		128,959,650	377,375,790	131,684,104	4,986,875,137	2,729,454,323	7,716,329,460	372,591,244	1,043,232,709	175,142,474	-	1,590,966,427	36,893,851	9,982,209,282

The accompanying notes 1 to 30 are an integral part of these consolidated financial statement

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Consolidated Statements of Cash Flows

Semesters ended 31 December and 30 June 2024

(In bolivars)

	Notes	Semesters ended	
		31 December 2024	30 June 2024
Cash flows provided by operating activities -			
Net income for the period		539,821,334	279,135,521
Adjustments to reconcile net income to net cash used in operating activities:			
Net income from amortization of discount in held-to-maturity investment premiums	7 and 19	19,362,081	18,010,479
Allowance for loan portfolio	8	177,556,881	45,053,284
Provision for returns receivable	9	22,155,016	12,134,266
Provision for other assets	13	10,000,000	16,402,759
Provision for contingent loans	17	-	4,381,548
Depreciation of fixed assets	12	42,200,547	36,937,512
Amortization of deferred charges	13	35,196,905	36,359,836
Amortization of realizable assets	11	12,438,529	4,146,176
Provision for labor indemnities		4,400,223	3,449,557
Current income tax		65,370,950	352,507
Deferred income tax asset		(7,990,354)	(13,557,560)
Deferred income tax liabilities		26,040,846	41,891
Net worth tax		1,573,000	13,900,000
Net variation of placements in the BCV and interbank operations		(3,632,790,000)	-
Interests and commissions receivable		(162,698,467)	(67,115,624)
Other assets		(1,357,992,081)	(490,001,973)
Accruals and other liabilities		1,034,105,880	(188,609,114)
Income from sale of realizable assets		-	5,271,490
Unrealized income in available-for-sale investments		(10,763,835)	(4,903,288)
Net cash used in operating activities		(3,182,012,545)	(288,610,733)
Cash flows from financing activities -			
Net variation of:			
Customers' deposits		5,107,243,508	2,494,853,858
Other financing obtained		(334,460,046)	171,905,513
Interests and commissions payable		(1,726,931)	(2,655,657)
Uncapitalized equity contributions		-	-
Net cash provided by financing activities		4,771,056,531	2,664,103,714
Cash flows provided by investing activities -			
Loans granted during the semester		(12,340,519,279)	(6,488,369,704)
Loans collected in the semester		8,554,807,888	4,482,135,946
Net variation of:			
Available-for-sale investment securities		(47,073,747)	6,810,532
Held-to-maturity investment securities		(753,227,712)	(291,626,868)
Restricted availability investments		337,747,798	(12,936,399)
Investment in affiliates		165,041,456	(38,936,258)
Realizable assets		-	(79,902,666)
Fixed assets		(250,071,392)	(102,565,490)
Net cash used in investment activities		(4,333,294,988)	(2,525,390,907)
Net variation of cash and equivalents		(2,744,251,002)	(149,897,926)
Income from exchange difference		4,520,040,891	484,190,950
Cash and equivalents at the beginning of the semester		13,206,492,467	12,872,199,443
Cash and equivalents at semester-end		14,982,282,356	13,206,492,467
Supplementary information on activities which do not require cash flows -			
Loans write-off	8	(16,589,634)	(64,673)
Variation of unrealized net loss in available-for-sale investment securities		(10,763,835)	(4,903,288)
Increase for valuation of trade loans granted through UVC receivable		3,522,719,312	72,758,258
Reclassification of unrealized benefits to loan portfolio as instructed by the Superintendency		68,126,516	-
Decrease in collection of trade loans granted through UVC receivable		(1,002,265,878)	(449,018,636)
Net income recorded in equity			
Cash and cash equivalents		4,520,040,891	484,190,950
Investment securities		536,009,514	9,788,249
Loan portfolio	8	-	-
Interests and commissions receivable		3,579,833	17,206
Investments in affiliates		333,383,602	14,571,067
Other assets		205,920,723	(365,153)
Customers' deposits		(3,849,059,292)	(61,434,330)
Accruals and other liabilities		(375,595,165)	4,741,807
Net income recorded in equity		1,374,280,114	451,509,796

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

## **BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

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### **(1) Reporting Entity**

#### **(a) Operations**

Banco Nacional de Crédito, C.A., Banco Universal was authorized to operate in the Bolivarian Republic of Venezuela as a commercial bank in February 2003, under the commercial name of Banco Tequendama, S.A. and, on 2 December 2004 it was authorized to operate as a universal bank. The Bank engages in financial brokerage activity, consisting of drawing-down resources for the purpose of granting loans or financing and making securities investment.

Banco Nacional de Crédito, C.A., Banco Universal is a company incorporated and domiciled in the Bolivarian Republic of Venezuela (the Republic), which main headquarter is located at Avenida Francisco de Miranda, entre Avenida Los Cortijos, Torre BNC, Urbanización Campo Alegre y Los Campos de Golf del Caracas Country Club, Municipio Chacao, Estado Miranda, Caracas.

At 31 December and 30 June 2024, Banco Nacional de Crédito, C.A., Banco Universal maintains 2,844 and 2,971 employees, respectively.

The stocks of Banco Nacional de Crédito, C.A., Banco Universal are listed in the Caracas Stock Exchange.

Banco Nacional de Crédito, C.A., Banco Universal operates in an economy characterized by significant devaluation of the local currency, high hyperinflation and multiple and changing regulations, which have a significant impact on the banking sector and the economy in general.

#### **Curaçao Branch**

Banco Nacional de Crédito, C.A., Banco Universal, Curaçao Branch (the Foreign Branch), is the Bank's Branch which object is to engage in financial brokerage and other financial operations and services that are compatible with its nature, in accordance with the legislation in force and established by Centrale Bank van Curaçao & Sint Maarten, when it does not contravene the provisions contained in the Decree with Rank, Value and Force of Law of Banking Institutions of Venezuela, published on 19 November 2014 in Extraordinary Official Gazette of the Bolivarian Republic of Venezuela N° 6.154 and re-printed in Official Gazette N° 40.557 dated 8 December 2014.

#### **(b) Legal Regime**

The activities of Banco Nacional de Crédito, C.A., Banco Universal and Foreign Branch (the Bank) are governed by the provisions contained in:

- The Organic Law of the National Financial System, published in Official Gazette of the Bolivarian Republic of Venezuela N° 39.447 dated 16 June 2010 and re-printed in Official Gazette N° 39.578 dated 21 December 2010.
- Decree N° 1.402 with Rank, Value and Force of Law of Banking Institutions, published on 19 November 2014 in Official Gazette of the Bolivarian Republic of Venezuela N° 6.154 Extraordinary dated 19 November 2014, and re-printed in Official Gazette N° 40.557 dated 8 December 2014 (the Law of Banking Institutions).
- Decree with Rank, Value and Force of Law of the Securities Market and the provisions issued by the National Securities Superintendency.
- The regulations established by the Superintendency of Banking Institutions (the Superintendency).

- The Central Bank of Venezuela (BCV).
- The Bank Deposits Social Protection Fund (FOGADE).
- The Centrale Bank van Curaçao & Sint Maarten.

The BCV, exercising its functions, has issued a series of resolutions whereby limits to interest rates payable and receivable are established, as well as the commissions that may be charged by banks and other financial institutions for different operations conducted with active and passive clients.

**(c) Acquisition of Banking Operations**

**Acquisition of operations from Banco Occidental de Descuento, Banco Universal, C.A.**

Extraordinary Stockholders' Meeting held on 31 March 2022, as part of the Bank's expansion plan and after obtaining prior clearance from the Superintendency, approved the acquisition of certain assets and assumed liabilities of Banco Occidental de Descuento, Banco Universal C.A. (the Seller) maintained in the Bolivarian Republic of Venezuela. The Superintendency informed the Bank through Ruling SIB-DSB-CJ-OD-03896 dated 9 June 2022, that the Seller was cleared for transferring assets and liabilities.

On 10 June 2022, the Bank signed a transfer agreement with the Seller on said rights and obligations. Assets and rights are comprised by the ownership rights over the assets, including domestic and foreign currency cash and due from banks, fixed assets, private property, loans and securities. Obligations include client deposits, client custody including those unclaimed, supplier agreements and leases, employees, other financing obtained, all of them recorded in the Seller's financial statements; and all of the obligations and responsibilities concerning the rights and obligations transferred, after the transfer date. On 23 June 2022, the Seller transferred the rights and obligations as agreed and recognized in the consolidated financial statements of the Bank on 30 June 2022.

The Bank, through notice sent on 11 July 2022, informed the Superintendency that as a result of the transfer of assets and the acquisition of liabilities of Banco Occidental de Descuento, Banco Universal, C.A., a difference arose between such assets and liabilities, which the Bank recognized as account receivable in the other assets element for US\$17,340,960 equivalent to Bs95,270,031 in June 2022 and which considerations consisted of account receivable and payable in the trust, in order to close and present the Bank's consolidated financial statements at 30 June 2022. The Superintendency by means of Ruling SIB-DSB-CJ-OD-04481 dated 13 July 2022, seeing that the Bank transmitted the consolidated financial statements, required the presentation of the accounting vouchers generated for the review and subsequent pronouncement. Furthermore, the Superintendency informed that in view of what was stated by the Bank in the communication dated 11 July 2022, in the absence of accurate and definitive accounting information, the Regulatory Entity cannot issue a partial technical and legal pronouncement in the present case. It is expressly understood that until the information requested in Ruling SIB-DSB-CJ-OD-04444 dated 12 July 2022, to Banco Occidental de Descuento, Banco Universal, C.A. does not comply with the instructions given, the Superintendency will not issue a pronouncement thereon.

The Bank, in a communication sent on 15 July 2022, informed the Superintendency that both institutions, after assessing and reviewing each of the items that make up such difference, agreed to make adjustments mainly related to the increase in the valuation of real estate, with a credit to the abovementioned account receivable, reducing its balance to US\$3,825,345.

The Superintendency, by means of Ruling SIB-DSB-CJ-OD-04800 dated 21 July 2022, informed it has no objection to the proposed adjustments. Regarding the difference to be compensated of US\$3,825,345, a statement will be issued once the definitive statements have been submitted.

The Bank, in a communication sent on 27 July 2022, informed that the relevant adjustments were made, which included the increase in the valuation of investments in affiliated companies and certain real estate assets, with a credit to the account receivable in comments, fully offsetting it. These offsets to the account receivable reported at 30 June 2022 had no effect on the Bank's results or equity. The Superintendency, by means of Ruling SIB-DSB-CJ-OD-05287 dated 3 August 2022, informed that it has no observations or objections to make in relation to the proposed adjustments. Therefore, the Bank was instructed to submit the proposed Addendum to the contract for the transfer of rights and obligations, for assessment and prior authorization by the Superintendency. On 4 August 2022, the Bank submitted the proposed Addendum to the Superintendency for consideration.

The Superintendency, by means of Ruling SIB-DSB-CJ-OD-05558 dated 11 August 2022, notified its observations on the Addendum proposal and instructed the parties to make the corresponding modifications and submit it for assessment and approval. On 12 August 2022, the Bank filed and submitted the proposed Addendum for approval on behalf of the Superintendency.

The Bank, by means of communications sent on 22 July, 16 August and 14 October 2022, requested authorization to amortize in a maximum term of 5 years, the capital gain generated by the valuation of the shares of the companies Consorcio Credicard, C.A., Proyectos Conexus, C.A., and Corporación Suiche 7B, C.A.; as well as the value to maintain operations with American Express and the expenses incurred in connection with the adaptation of the transferred offices as a result of the transfer of assets and assumption of liabilities of Banco Occidental de Descuento, Banco Universal, C.A. The Superintendency, through Ruling SIB-II-GGIBPV-GIBPV4-08964 dated 5 December 2022, establishes that the term indicated for the amortization is in accordance with the provisions of the Accounting Manual for Banking Institutions. Furthermore, it urges the Bank to fully evaluate the expenses incurred for the adaptation of the real estate. The Bank, by means of a communication issued on 20 December 2022, informs the beginning of the regularization of the items recorded in sub-account 188.01 "Advances to suppliers."

The Bank, by means of communications sent on 18 November and 5 December 2022, informed that the Public Registry offices have refrained from notarizing the documents presented to proceed with the transfer of ownership of the assets that are part of the Transfer of Rights and Obligations Agreement entered into with Banco Occidental de Descuento, Banco Universal, C.A. The Superintendency, by means of Ruling SIB-DSB-CJ-OD-09734 dated 28 December 2022, communicated that, once the list of properties was compared with what is indicated in the Contract for the Transfer of Rights and Obligations executed with Banco Occidental de Descuento, Banco Universal, C.A., authorizes the alienation or transfer exclusively to Banco Nacional de Crédito, C.A., Banco Universal. Finally, and in order to guarantee the request made to the Autonomous Service of Registries and Notaries Public, the real estate and mercantile registries must request the Superintendency to confirm the authorization in writing and verify the specifications, location, boundaries and other registration data of the real estate to be sold or transferred.

The Bank, by means of communications sent on 10 February and 16 March 2023, requests authorization for the registration of the transfer of the real estate and that the Autonomous Service of Registries and Notaries be notified, in order to allow its notarization. The Superintendency, by means of Ruling SIB-DSB-CJ-OD-07038 dated 30 November 2023, requests, in order to issue the corresponding authorization, a detailed report clarifying the discrepancies evidenced between the Contract for the Transfer of Rights and Obligations executed between Banco Nacional de Crédito, C.A., Banco Universal and Banco Occidental de Descuento, Banco Universal, C.A. The Bank, by

means of a communication sent on 8 December 2023, informs the Superintendency that the differences correspond to involuntary errors; furthermore, it indicates that it did not possess the copies of the documents corresponding to the properties. In addition, it is indicated that the Bank has not been able to notarize all the documents of said properties in its name, and therefore, it requests the speedy issuance of the respective authorization and its notification to the Autonomous Service of Registries and Notaries.

The Bank, by means of a communication sent on 1 December 2023, filed before the Superintendency Addenda N° 2 and 3 dated 16 November 2023, under N° 26, Volume 36 and N° 25, Volume 36, respectively, authenticated at the Thirtieth Notary Public Office of Caracas, Municipality of Libertador. The Superintendency, through Ruling SIB-DSB-CJ-OD-08327 dated 5 December 2024, requested the first and third Addendum of the Trust agreement and the missing information regarding the agencies included in said Addenda.

The Bank, by means of a communication sent on 23 June 2023, informs the Superintendency that on 18 May 2023, the Political Administrative Court of the Supreme Court of Justice instructed the Bank to transfer ownership of the real property located in Centro Comercial Maracay Plaza, Girardot Municipality of Aragua State, to The Bank Deposits Social Protection Fund (FOGADE). Similarly, it informs the Superintendency that the aforementioned assets are not part of Addenda N° 3 of the Contract for the Transfer of Rights and Obligations entered into by Banco Nacional de Crédito, C. A., Banco Universal and Banco Occidental de Descuento, Banco Universal, C. A, consequently, it requests the Superintendency to issue a pronouncement evidencing that Banco Occidental de Descuento, Banco Universal, C.A. maintains its legal personality, holding the ownership of the real property located in Centro Comercial Maracay Plaza. The Superintendency, by means of Ruling SIB-DSB-CJ-OD-00665 dated 15 February 2024, in order to issue a pronouncement, requests the registered documents of the real property owned by the Bank, located in Centro Comercial Maracay Plaza, listed in Addenda N° 3 of the Contract for the Transfer of Rights and Obligations, which, do not correspond to the real property indicated by the Political Administrative Court of the Supreme Court of Justice. The Bank, by means of a communication sent on 30 April 2024, sent ownership documents duly registered of the commercial premises located in Centro Comercial Maracay Plaza, to the Superintendency.

The Bank, through a communication dated 5 August 2024, requested the Superintendency to rule on the independence and legal autonomy existing between Banco Nacional de Crédito, C.A., Banco Universal and Banco Occidental de Descuento, Banco Universal, C.A., in light of the legal nature of the Transfer of Rights and Obligations Agreement entered into between the parties. The Superintendency, through Ruling SIB-DSB-CJ-OD-06979 dated 23 October 2024, indicated that the legal personalities of both banking entities remain separate, given that in Resolution N° 047.22, it was decided to revoke the operating authorization and cease operations in the Bolivarian Republic of Venezuela of Banco Occidental de Descuento, Banco Universal, C.A. and its voluntary liquidation did not imply a merger by absorption or the integration of said banking entities, which retain their identity, as well as their own rights and obligations.

The Superintendency, through Ruling SIB-DSB-CJ-OD-05140 dated 9 August 2024, indicated to the Bank that once the list of properties that were the subject of the Transfer of Rights and Obligations Contract entered into with Banco Occidental de Descuento, Banco Universal, C. A. was compared, it authorized the alienation or transfer exclusively to Banco Nacional de Crédito, C. A., Banco Universal of the properties identified in Annex 3 of said contract. Furthermore, it mentions that in the Transfer Contract the obligations assumed, specifically with the clients CBPO Ingeniería de Venezuela and Constructora Norberto Odebrecht, S.A., which are presented in the Public Collections Agreement N° 20 and given that these obligations are in the process of negotiation for the acquisition of an asset owned by Cartera de Inversiones Venezolana, C.A., the Bank and these

Companies by mutual agreement agree that, if at the date of the transfer or the transfer balance or closing balance, the negotiation has not been able to materialize and they remain pending payment, the seller will deliver to the buyer certain assets specified in the Transfer Contract.

The Bank, through a communication dated 17 September 2024, requested clarification on the non-existence of the prohibition measure to alienate chattel and real estate resulting from the transfer process. The Superintendency, through Ruling SIB-DSB-CJ-OD-08168 dated 29 November 2024, reported that through Ruling SIB-DSB-CJ-OD-08167 dated 29 November 2024, it requested the Autonomous Service of Registries and Notaries (SAREN) to issue the instructions that may be appropriate in the Public Registry of the Second Circuit of the Sucre Municipality of the state of Miranda, to suspend or revoke the prohibition, in order to guarantee the free use, enjoyment, and disposal of the abovementioned properties by the Bank.

## **(2) Basis of Preparation**

### **(a) Statement of Conformity**

The Bank, as a financial institution of the Venezuelan banking sector, is obligated to prepare and present its consolidated financial statements in accordance with the Accounting Manual for Banking Institutions (the Accounting Manual) and other prudential regulations issued by the Superintendency of Banking Institutions, which differ from the Accounting Principles Generally Accepted in Venezuela for Large Entities (VEN-NIF for LE). In regard to all aspects not established in these provisions, the Accounting Principles Generally Accepted in Venezuela (VEN-GAAP) that were in force until 31 December 2007 must be followed; in the succeeding order and in a supplementary manner, the provisions contained in the Accounting Principles Generally Accepted in Venezuela for Large Entities (VEN-NIF for LE).

In April 2008, the Federation of Public Accountants of the Bolivarian Republic of Venezuela (FCCPV), through Application Bulletin on VEN-NIF N° 0 Frame Agreement for Adopting International Financial Reporting Standards, approved the adoption of the VEN-NIF as the Accounting Principles Generally Accepted in Venezuela. At 31 December and 30 June 2024, the applicable version of VEN-NIF is the version approved in April 2024 by the National Extended Board of the FCCPV, through Application Bulletin on VEN-NIF N° 8 version 9.

Official Gazette of the Bolivarian Republic of Venezuela N° 39.637 dated 18 March 2011 published Resolution N° 648.10, whereby the Superintendency established that the presentation of consolidated financial statements or combined with the notes thereto, and the independent auditors' report corresponding to semester closings according to VEN-NIF is deferred until further notice from the Superintendency.

On 26 June 2024, the Superintendency issued Ruling SIB-II-GGR-GNP-03894, deferring the presentation of complementary information corresponding to the 2024 first semester, in connection with the consolidated financial statements, prepared on the basis of generally accepted accounting principles; as well as the individual audited financial statements for publishing, duly adjusted by inflation.

Some of the policies established in the Accounting Manual and other prudential standards issued by the Superintendency, which differ from the Accounting Principles Generally Accepted in Venezuela for Large Entities (VEN-NIF for LE), follow:

- 1) The financial statements are not adjusted by inflation, they are presented in nominal bolivars. VEN-NIF for LE require the presentation of financial statements expressed in terms of the measurement unit current at the reporting date, considering that the bolivar is the currency of a hyperinflationary economy.

## **BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

### Notes to the Consolidated Financial Statements

31 December and 30 June 2024

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- 2) The comparative information is presented under the comparative financial statements approach, not under the approach of corresponding figures which is customary according to VEN-NIF for LE.
- 3) The Accounting Manual establishes that the main significant accounting policies must be disclosed. The VEN-NIF GE establish that entities must disclose information about their material accounting policies.
- 4) Statements of cash flows: The cash and due from banks item is equivalent to cash according to the Manual. The VEN-NIF for LE consider as cash equivalent short-term investments with high liquidity, which are easily convertible into determined amounts of cash, subject to insignificant risk of change in value.
- 5) Unrecorded accounts receivable from banks and other financial institutions in the country, and from banks and correspondents abroad, aged over 30 and 60 days, respectively, are recorded in the other assets account; then, a provision is recognized for 100% of the balance 30 and 60 days after their recording, respectively, if they are still pending reconciliation. These items must be derecognized with charges to the provision recognized, when aged over 180 days. VEN-NIF for LE do not establish reclassifications of accounts receivable pending recording, nor the recognition of an estimate for loss resulting from impairment based on a specific maturity but based on the expected risk of credit loss.
- 6) Transactions and balances in foreign currency are recognized at the official exchange rate of the BCV effective on the transaction date and on the reporting date, respectively. In accordance with VEN-NIF for LE, these are recognized at the official exchange rates established in various exchange agreements or based on the best estimate of the expected future flows of bolivars, which at the date of the transaction or of the financial statements would have been disbursed or received, as the case may be, to settle obligations or to realize foreign currency assets, using the exchange or payment mechanisms legally established or permitted by the Government or laws of the Bolivarian Republic of Venezuela.
- 7) Income or losses from fluctuations in the official exchange rate are recorded in the equity adjustments account, except for net realized income and/or losses arising when the Bank sells foreign currency in the Foreign Exchange Market System acquired from the BCV, as well as those acquired from its clients, which are recorded in the statement of income. In accordance with VEN-NIF for LE, any exchange income or loss is recognized in the statement of income for the period.
- 8) The Manual establishes maximum holding periods for securities recorded in the available-for-sale subaccount, except those issued and/or guaranteed by the nation, as well as all capital securities in mutual guarantee companies. The VEN-NIF for LE do not establish a specific maximum holding period for these investments to remain recorded in said category.
- 9) The value to be recorded for transfers from available-for-sale to held-to-maturity investments is calculated at fair value at the time of the transfer. The unrealized gain or loss continues to be reported separately in stockholders' equity and is amortized over the remaining life of the debt security, as an adjustment of its yield. VEN-NIF for LE establishes that the fair value of the investment at the date of transfer will become its new or amortized cost, and any net income previously recognized in stockholders' equity is recorded as follows: a) investment with fixed maturity: gain or loss is recognized in net income over the remaining life of the investment, and any difference between the new amortized cost and the amount at maturity is amortized over the remaining life; b) investment with no maturity: the gain or loss remains in stockholders' equity until the asset is sold or otherwise disposed of, at which time it will be recognized in income.

- 10) The premium or discount on investments held to maturity is amortized over the term of the security by debiting or crediting the profit or loss on investments in securities account, which is classified in other operating income and operating expenses, respectively. According to the VEN-NIF for LE, these premiums or discounts are part of the return on the security, so they are presented as financial income or costs, as appropriate.
- 11) The permanent impairment in the value of investments held to maturity is recognized in income of the semester in which they occur. Any subsequent recovery of the cost does not affect the new accounting basis. The VEN-NIF for LE allows for the recognition as income of any recovery of the impairment previously recognized in income, up to the concurrent amount of the original investment.
- 12) The capital and returns receivable from investments in securities with more than 30 days past due are recorded in other assets and a provision of 100% of their amount is recognized. The interest on these investments accrued subsequently is not recognized in income. According to the VEN-NIF for LE, such assets are not reclassified and the allowance for impairment is determined based on the risk of expected credit loss.
- 13) Loans granted in terms of the Unit of Credit Value (UVC) are expressed in accordance with the provisions of the BCV, resulting from dividing the amount in bolivars to be settled of the loan granted by the Investment Index (IDI) effective at the date, and the IDI is updated daily by adjusting the amount of the loan. The higher value of the loan originated by the exchange rate displacement represented by the IDI is recorded in stockholders' equity during its valuation, net of the financial cost of the legal reserve deficit attributable to such income and is reclassified to income when the corresponding loans are collected. In accordance with VEN-NIF for LE, income is recognized in net income when accrued.
- 14) A specific provision is required based on a monthly assessment for each credit in the credit portfolio and contingent credits. In addition to the specific provision, a generic and a counter-cyclical provision is required for the loan portfolio, as well as a generic and a specific provision for indirect credit risks controlled by the Bank in memoranda accounts. VEN-NIF for LE do not contemplate the recording of generic or counter-cyclical provisions and establish the recognition of the expected credit losses that reflect a non-biased, probable average amount that is determined through the assessment of a range of possible outcomes, the temporary value of money and reasonable and sustainable information that is available without disproportionate cost or effort on the date of presentation regarding past events, current conditions and future economic conditions forecasts.
- 15) It is established that loans which original payment plan, term and other previously agreed conditions have been modified by the creditor, in response to an express request by the debtor to refinance the loan, must be reclassified to the restructured loans portfolio account. VEN-NIF for LE do not establish a separate classification and presentation in the balance sheet when this occurs.
- 16) The period for writing off the past-due loan portfolio may not exceed 24 months as of the date of registration of the entire loan in that category. Furthermore, credits in dispute, upon reaching such age, counted from the date of their registration in this category, must be fully provisioned. The VEN-NIF for LE establish the recognition of expected credit losses that reflect an unbiased weighted probability amount that is determined by assessing a range of potential outcomes.

- 17) Yields originated by the current and restructured loan portfolio, with a collection term equal to or greater than six months, are recorded monthly as deferred income until they are effectively collected. In accordance with VEN-NIF for LE, interest is recognized as income when accrued.
- 18) Yields on past-due loans and loans in litigation are recorded in memoranda accounts and are recognized as income when collected. In accordance with VEN-NIF for LE, interest is recognized as income when accrued. If there is significant risk of uncollectability, interest must not be recognized as income until said risk is eliminated.
- 19) The reversal of excess provisions requires the authorization of the Superintendency and is recognized in income and/or accumulated income. The VEN-NIF for LE allow such type of reversal based on an analysis of the realization of the item and is recorded as income in income for the period.
- 20) A provision is recognized for the yields receivable on the loan portfolio based on the risk percentage applied to the principal that originated it, except for loans classified in the real risk category, for which a 100% provision of the balance thereof is recognized. Interest accrued on loans considered as high risk and non-recoverable is not recognized in income. In accordance with VEN-NIF for LE, estimates for impairment are established based on the risk of expected credit loss of items, and interest is recognized as income when accrued and it corresponds to loans with no risk of expected credit loss.
- 21) A provision for the total amount of the balance of accrued and uncollected interest must be recognized when the fixed term loan is considered past due. A provision for interest resulting from installment loans is recognized when the installment is 30 days past due. VEN-NIF for LE establish the recognition of expected credit losses that reflect a non-biased, probable average amount that is determined through the assessment of a range of possible outcomes.
- 22) Fees charged on loans are recognized as income when collected. In accordance with VEN-NIF for LE, commissions should be recorded as income during the term of the loan and are part of the value of the loan at the time of initial recognition. Interest is recognized as income when accrued and in subsequent measurement, is subject to the recognition of an estimate for loss of value, which base, in general, is the real risk of loss.
- 23) Investments in subsidiaries and affiliates are valued using the equity method when the company holds between 20% and 50% of the equity in the subsidiary or affiliate. According to the VEN-NIF for LE, said investment will be recorded using the equity method provided that it has significant influence but not control over said entity.
- 24) Assets received as payment are recorded at the lower of the amount awarded, the carrying amount, market value or the appraisal amount. In accordance with VEN-NIF for LE, they are presented at fair value, less costs to sell, and are recorded as fixed assets or assets held for sale, depending on their intended use.
- 25) Realizable property is amortized over the period established in the Accounting Manual, which also establishes terms for derecognizing those assets. According to VEN-NIF for LE, depreciation of these assets ceases, and they are valued at fair value less costs to sell. Also, an asset held for sale must have a management plan to be sold and a program to find a buyer must have been initiated, and the sale is expected to be completed within a period not exceeding one year, except in particular conditions.

- 26) Fixed assets are presented at original cost less accumulated depreciation. The original cost of fixed assets is determined by its acquisition or construction cost, as the case may be. Similarly, assets with a useful life of less than four years and those which individual acquisition cost is less than 320 TU are recorded in the general and administrative expenses account. In accordance with VEN-NIF for LE, fixed assets are presented at cost, less accumulated depreciation and impairment losses; the recognition of an item as fixed assets is not subject to the useful life of the asset or its amount as established by the terms of the Manual.
- 27) The measurement of fixed assets according to the revaluation model instructed by the Superintendency is mandatory, except for lands, works in progress and other assets and, their amount cannot exceed from the primary equity of the Bank. In accordance with VEN-NIF for LE, the revaluation model for the subsequent measurement of fixed assets is optional, by adopting that model, it must be applied to all the elements of the same class of fixed assets and the amount to be recognized is the fair value reliably measured at the time of revaluation, less accumulated depreciation and the amount of impairment losses.
- 28) Income from the sale of fixed assets, realizable assets and assets no longer in use that are made in installments and/or with financing are deferred until they are actually collected and are classified in the accruals and other liabilities account as deferred income on sales of goods. According to VEN-NIF for LE, the profit on installment sales of assets is recognized as income as accrued.
- 29) Substantial improvements to leased properties are recorded as amortizable expenses and are classified in other assets. In accordance with VEN-NIF for LE, these substantial improvements are part of fixed assets.
- 30) Leases are classified as capital leases and operating leases. Lease payments are recorded as expenses in the month in which the obligation is incurred. In accordance with VEN-NIF for LE, a lease must be recognized as an asset susceptible to be used legally and a financial liability if the contract transfers the right to control the use of an identified asset, amongst other considerations established in IFRS 16 – which is part of VEN-NIF for LE -, except for contracts that are short-term or of a lesser amount.
- 31) Minimum terms and criteria similar to those prescribed for the loan portfolio are established in the evaluation of the collectability of the items classified as other assets, in order to recognize the corresponding provision. These assets may remain on the balance sheet for one year after their maturity date, as of which time a 100% provision of their balance must be recognized. These accounts may not be written off if the corresponding debtor is linked to the ownership, direction, management or control of the Bank. According to VEN-NIF for LE, the estimate for impairment is determined based on the expected risk of credit loss.
- 32) For the purposes of calculating the temporary difference related to the provision for loan portfolio, in order to determine the deferred income tax, only provisions for loans classified as high risk or unrecoverable are considered. The deferred income tax cannot exceed the current tax expense. In accordance with VEN-NIF for LE, deferred taxes are recognized for all taxable temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax basis, and for the temporary differences deductible between those bases up to the amount of probably available future taxable earnings to be offset against. Similarly, recognition of an asset and a liability is required for separate deferred tax when the temporary differences raised in the recognition of an asset and a liability are equal.

- 33) The Superintendency is entitled to authorize financial institutions to defer normal and recurring expenses. The VEN-NIF for LE do not provide for the recognition of deferred expenses but of intangible assets, if and only if, they meet the conditions of being identifiable, controlled and that a future economic benefit is expected to be obtained from them; otherwise, it is recognized as expenses in the period when incurred.

**(b) Approval of the Consolidated Financial Statements**

The consolidated balance sheets of the Bank at 31 December and 30 June 2024 and the consolidated statements of income and net income allocation, previously authorized by the Board of Directors on 8 January 2025, were published in a national newspaper on 15 January 2025, in compliance of the requirements established by the Superintendency. On 17 February 2025, management authorized the issuance of the consolidated financial statements of the Bank, which in addition to those mentioned above, are comprised by the consolidated statements of changes in equity and cash flows for the semesters then ended and the notes containing significant accounting policies and other explanatory information. The consolidated financial statements at and for the semester ended 30 June 2024, have been approved by the Stockholders' Meeting on 18 September 2024. The consolidated financial statements at and for the semester ended 31 December 2024, will be submitted to the approval of the Stockholders' Meeting which is expected to be held in March 2025.

**(c) Basis of Measurement**

The consolidated financial statements have been prepared on the historical cost method, pursuant to the provisions contained in the general provisions of the Accounting Manual.

**(d) Functional and Presentation Currency**

The consolidated financial statements have been presented in bolivars, which is the Bank's functional currency. Transactions in other currencies different than bolivars are considered foreign currency transactions.

**(e) Use of Estimates and Judgments in the Preparation of the Consolidated Financial Statements**

Preparation of the consolidated financial statements requires management to conduct a series of estimates and affirmations in connection with the amounts shown on assets and liabilities, and the disclosures on contingent assets and liabilities, as well as the amounts shown in income and expenses during the respective period. Actual income could vary in comparison to the original estimates.

Estimates and underlying assumptions are reviewed on a continuous basis. The review of accounting estimates is recognized in the income for the period under review, if they affect that period only or in the income of this period and future periods, if the review affects the current period or future periods.

Information on the most significant areas requiring the application of estimated and a critical judgment in the application of accounting policies, having a significant effect on the value recognized in the consolidated financial statements, are described in note 4: (c) cash and cash equivalents; (d) investment securities; (e) loan portfolio; (f) interest and commissions receivable; (g) realizable assets; (h) fixed assets and depreciation; (i) other assets; (j) income tax and deferred income tax; (k) labor benefits and (s) commitments and contingencies.

**(f) Measurement of Fair Value of Financial Instruments**

The following methods and assumptions are used by the Bank when estimating the fair value of financial instruments:

- Short-term financial instruments

Short-term financial instruments, assets and liabilities have been presented at carrying value included in the balance sheet, which do not defer significantly from fair market value, in light of the relatively short period of maturity of these instruments. This category includes: cash and cash equivalents, customers' deposits without defined maturity and with short-term maturities, other financing obtained, interest and commissions both receivable and payable.

- Investment securities

Investment securities are based on fair market value or fair values easily determined.

- Loan portfolio

The net recorded value of the provisions for loan portfolio are considered the best fair value estimate.

- Off-balance sheet financial instruments

Amounts approximate their fair values.

**(3) Significant Accounting Policies**

Accounting policies and bases mentioned below are equally applied by the Bank in the preparation of the consolidated financial statements:

**(a) Principles of Consolidation**

The consolidated financial statements include the accounts of Banco Nacional de Crédito, C.A., Banco Universal and the Foreign Branch.

Assets, liabilities and income from the Foreign Branch are consolidated with the financial statements of the parent company in Venezuela. The capital assigned by Banco Nacional de Crédito, C.A., Banco Universal to the Foreign Branch is eliminated from equity in the latter, as well as all accounts holding reciprocal balances. The Foreign Branch applies the accounting policies of the parent company when preparing its own financial statements.

Assets, liabilities, equity and income of the Foreign Branch are converted from dollars to bolivars at the exchange rate in force in accordance with Exchange Agreement N° 1 (see note 6).

**(b) Foreign Currency**

It is recorded at the exchange rate in force on the date of the operation. In accordance with the Accounting Manual, foreign currency asset and liability balances are valued at the closing date of each month, at the official exchange rate for purchasing foreign currency as determined by the BCV (see note 6).

Exchange gains and losses are presented in the statement of income and net income allocation for the semester, except for the effects of variation of the official exchange rate for the semesters ended 31 December and 30 June 2024, is governed by the provisions contained in Exchange Agreement N° 1, as the unrealized exchange difference is recorded in stockholders' equity and the realized exchange difference from the sale of foreign currency in the Exchange Market System is recorded in the statement of income and net income allocation.

**(c) Cash and Cash Equivalents**

It comprises assets that by reason of their liquidity are immediately available, therefore, they include cash, sight deposits at the BCV, balances held in foreign and correspondent banks, as well as effects subject to immediate collection.

**(d) Investment Securities**

Investment securities are classified in accordance with the intention for which they are purchased, and are valued in accordance with their classification as follows:

- Available-for-sale securities, investments in debt and principal securities that may not be included as trading securities or held-to-maturity securities or investments in subsidiaries and affiliates and may not be held in this account for a term greater than one year, beginning on the date of inclusion into this account.

The Superintendency informed through Ruling SBIF-DSB-II-GGTE-GNP-06459 dated 4 May 2009, that investment securities, whether issued and/or endorsed by the nation, and all investments in principal securities from mutual guarantee companies, will be exempted from compliance of the one-year term.

If investment securities are listed in stock exchanges, they are valued at fair market value, and their net unrealized profit or loss is recorded in a separate account in the stockholders' equity.

If they are not listed, they are recorded at purchase value and assessed at fair market value or fair value easily determinable (market value), the latter being the present value of future cash flows generated from the securities. The discount rate to be used for this calculation is based on performance curves (Spot), using data from the primary and secondary market, corresponding to instruments with similar risk characteristics.

If permanent impairment is determined in the investment's value, it is recorded in the results for the period of the impairment. Any subsequent recovery of cost does not affect the new accounting basis. Recovery is presented directly and separately under stockholders' equity provided that securities are not realized.

- Held-to-maturity securities, representing debt and acquired firmly for the purpose to be held to maturity.

These must be recorded at acquisition cost, which must reflect the market value at the purchase date, subsequently adjusted by the amortization of premiums or discounts and recognized in the consolidated statements of income and net income allocation.

Permanent impairment in the value of securities is recorded in the consolidated statements of income and net income allocation. Any subsequent recovery of cost does not affect the new accounting basis.

- Restricted availability securities, which include amongst other, funds delivered to another institution in trust, provided that availability is restricted, as well as any other restricted availability securities.

For assessment purposes, the existing criteria for the securities originating them are taken into account.

The Bank considers the value listed in stock exchanges the market value, as well as market value similar to fair value, as provided for in the Accounting Manual.

Gains or losses on transfers between investment categories are accounted for as follows:

- From trading securities to available-for-sale or held-to-maturity securities. Fair value is calculated at the time of transfer, and the difference with the previous fair value will be recorded in the results of the year, since the unrealized gain or loss was already recognized in income; this treatment is not reversed.
- From available-for-sale or held-to-maturity securities to trading securities. Their fair value is calculated at the time of transfer; the unrealized gain or loss at the date of transfer is recognized immediately in income.
- From available-for-sale securities to held-to-maturity securities, their fair value is calculated at the time of transfer, the unrealized gain or loss continues to be presented separately in equity and is amortized over the remaining life of the investment.
- From held-to-maturity securities to available-for-sale securities. Fair value is calculated at the time of transfer, the unrealized gain or loss at the date of transfer is recognized, and the net balance is presented separately in equity.

When investment securities are past due, they are reclassified together with their yields to other assets and, if after 30 days from their maturity date they have not been collected, the amounts must be 100% provisioned.

Any transfer between the different categories of investments, when they are sold for circumstances other than those indicated in the Accounting Manual or reclassified to another category, must be authorized by the Superintendency.

The provision for investments in securities is established when the Bank's management becomes aware of any circumstance affecting the value or recoverability of an investment. When it is considered that the specific provision assigned to an investment is in excess, because the circumstances that originated its constitution have changed, the reversal of such provision must be made with the authorization of the Superintendency.

The Superintendency will authorize exchanges and other transactions involving changes in securities or financial instruments denominated in foreign currency, and the financial institution must attach to the request for authorization, the supports evidencing the fair market value or carrying value, as applicable, together with the approval of the committee, or whoever corresponds, among others. During the semesters ended 31 December and 30 June 2024, the Bank did not carry out any exchange transactions of securities or financial instruments denominated in foreign currency.

**(e) *Loan Portfolio***

The Bank expresses the loans granted in terms of the Credit Value Unit (UVC), in accordance with Resolution No. 22-03-01 dated 17 March 2022, published in Official Gazette of the Republic N° 42.341 dated 21 March 2022, resulting from dividing the amount in bolivars to be settled of the credit granted by the Investment Index (IDI) in effect at the date and daily updates the Investment Index (IDI) by adjusting the amount of the credit.

The credits of the Single National Productive Portfolio, commercial and micro-credits granted prior to the entry into force of Resolution N° 22-03-01, will maintain the conditions under which they were agreed until their total cancellation.

Excluded from Resolution N° 22-03-01 dated 17 March 2022, published in Official Gazette of the Republic N° 42.341 dated 21 March 2022, are those active operations related to loans to employees and directors of the entities.

The balance of the loan portfolio is updated daily, taking into account the variation of the Investment Index (IDI) published by the BCV from the time the loan is granted until its liquidation. Increases or decreases in the principal of the loans, due to the variation of the Investment Index (IDI), are recorded in the Adjustments to Equity account 358. When the loan is collected, these amounts previously recorded in the Adjustments to Equity account 358 are reclassified to income for the year, in the Income from Loan Portfolio account 513.

The loans of the Single National Productive portfolio that consider the modality of a single payment at maturity, will have an additional charge of 20% at the time of loan liquidation, which is recorded in the Income from Loan Portfolio account 513.

The Bank maintains provisions: specific, generic and counter-cyclical for bad debts. Losses from bad debts are charged against these provisions.

The Bank carries out a monthly assessment of its loan portfolio and possible contingencies to determine and create a specific provision from possible loss on loans, in accordance with the standards set forth in:

- Resolution N° 009-1197 “Standards Relating to Classification of Risk in the Loan Portfolio and Calculation of Provisions” dated 28 November 1997.
- Resolution N° 028.13 dated 18 March 2013, Standards Related to the Special Regime of Information Requirements and Constitution of Provisions for the Risk Coverage of the Agricultural Portfolio.
- Resolution N° 021.18 dated 5 April 2018, Standards Related to the Characteristics and Risk Classification of the Microfinance System and Small and Medium-Sized Entities.

In addition, a 1% general provision on the loan portfolio's principal balance is maintained, as set forth by Resolution N° 009-1197, with the exception of the microcredit portfolio for which, a 2% general provision on the principal balance is kept by the Bank, in accordance with the provisions contained in Resolution

N° 021.18. Furthermore, according to Resolution N° 146.13 Standards Relating to the Creation of the Counter-cyclical Provision, the Bank maintains a 0.75% provision on the gross balance of the loan portfolio. In order to revert these provisions, clearance from the Superintendency is required.

The Bank maintains a provision of 100% of the portfolio unmoved, which is comprised of the portfolio due and under litigation. This provision is applicable when the sum of the specific provisions and the generic provision is lower than the abovementioned percentages.

The term to write off the overdue portfolio shall not exceed 24 months, beginning on the registration date of the entire loan in the “Overdue Loans” account. However, the Bank may maintain the portfolio in litigation for those loans in connection to which judicial collection actions have been initiated provided that they are pending decision by the respective court. Nevertheless, at 24 months beginning on the date of registration of the credit as “Loans in Litigation”, a provision of 100% must have been created.

Regarding contingent memorandum accounts arising from guarantees granted, a 1% generic provision must be created, as well as a specific provision based on the guidelines established for credit operations.

**(f) *Interests and Commissions Receivable***

Interest and commissions receivable from investment securities, loan portfolio, contingent credits, services rendered and other accounts receivable, are recognized and recorded as income based on the amount of the uncollected principal.

Uncollected interest on the loan portfolio requires a provision based on the specific provision percentage applicable to the related loans when their risk classification is either normal or potential. When the loan's risk classification is real, interest earned and credited to income is fully provisioned for, and interest earned on loans classified in categories D and E is not recognized; such interest is controlled in memorandum accounts and recorded as income based on the amounts effectively collected.

Interest originated by the current and restructured loan portfolio with a term for collection equal to or more than six months must be registered monthly in the portion corresponding to deferred income in the item of Accruals and other Deferred Liabilities-Income, until effectively collected.

Interest in arrears is earned by the loan portfolio in installments and at fixed terms in case of current or restructured loans and are recognized as income when the period of arrears is less than 30 days; if collection has not been made by that time, a provision of 100% is required. Interest in arrears collected after said term is recorded under memorandum accounts.

When the loan (fixed term) or the installment loan is overdue or in litigation, it will not bear interest as income, and said amount will be entered under the memorandum accounts, Interest Receivable, where subsequent income will be recorded.

Profit receivable on investment securities that have not been collected within 30 days from the date on which the collection should have been made, must be provisioned at 100%, the yields that are generated subsequently are recorded in memorandum accounts and are recognized as income based on the amount actually collected.

Interest from investment securities, contingent loans, services rendered or other accounts receivable, pending collection, requiring the creation of a specific provision based on its recovery risk.

**(g) *Realizable Assets***

Realizable assets are stated at acquisition or incorporation value. The value of incorporation of realizable assets (received in lieu of payment) is determined based on the lesser amount between the value determined by the judicial authority in the transfer, the accounting balance of the corresponding credit capital and recoverable disbursements originated by the collection process of the loan paid, the market value of said property and the amount of the valuation.

The incorporation value (cost) may be increased only by the number of improvements or additions to such value up to the amount by which such improvements or additions increase their useful lives or realizable value; other expenditures made in connection with these assets should be expensed in the period in which they are incurred.

Realizable assets must be disposed of within a period of one to three years from the date of acquisition, and a valuation reserve must be created one month after the date of entry into the Bank or registration in this group, in order to reach 100% of these assets at the end of the period in which they must be disposed of.

The Bank does not recognize income from the sale of realizable assets until they are collected.

Discontinued assets must be divested within a term of 24 months, and the carrying amount shall not exceed its realization value.

**(h) Fixed Assets and Depreciation**

Fixed assets are initially recognized at their original cost, which is the acquisition cost or construction cost or restated cost, as the case may be, plus all necessary expenses to maintain the asset in place and conditions for use.

Depreciation is calculated using the straight-line method based on an estimated useful life for the different assets, as follows:

	<b>Years</b>
Buildings and facilities (at cost)	40
Computer equipment	4
Furniture and equipment	10
Equipment for transportation	5

Upgrades and facilities are depreciated in the remaining useful life of the main asset.

Fixed assets owned by the Bank and cannot be given on lease.

**(i) Other Assets**

Deferred expenses are presented at cost and are amortized by the straight-line method in monthly installments beginning in the month following that when the expense was incurred, as mentioned below:

- Capital gains will be amortized over a period not exceeding five years.
- Leasehold improvements, software and licenses purchased will be amortized over a period not to exceed four years.
- Expenses related to the implementation of the monetary reconversion process will be amortized between three and eight years from the date they are included in this account.
- Expenses related to the Contribution to the National Fund for Development (FONDEN, S.A.) shall be amortized in a period of two years as of their incorporation to such account.

Service expenses recorded in subaccount 188.06 "Other prepaid expenses" should be amortized over a period not to exceed one year. Any prepaid service expense paid in advance for more than one year will be considered as a loan and should therefore be recorded in the loan portfolio.

The items in this group remain for a maximum of 360 days, counted from the date of maturity or due date. If after this period they have not been realized, a provision of 100% is made and, with prior authorization, they are written off and the balance is recorded in the corresponding memorandum account. Excepted from this maximum period are miscellaneous goods, value added tax (VAT) resulting from leasing transactions, income tax (ISLR) paid in advance, tax stamps paid to states of the nation and items that, as required by the National Integrated Customs and Tax Administration Service (SENIAT), must remain in said account [tax on large financial transactions (IGTF)].

The Bank assesses the collectability of items recorded in other assets, by means of similar criteria, to the extent applicable to those established for the loan portfolio. Additionally, it maintains provisions for all those items thus requiring it, based on their age and nature, as well as by requirements of the Superintendency.

**(j) Income Tax and Deferred Income Tax**

Income tax expense for the year consists of current and deferred taxes. The provision for current income tax is calculated on the basis of the Bank's net taxable income, determined in accordance with current Venezuelan tax legislation and using tax rates in effect (or substantially in effect in the foreseeable future) at the balance sheet date (see note 18).

A deferred income tax asset and/or liability should be recognized based on the tax amount expected to be recovered over temporary differences represented by income or expenses incurred in different periods for tax and accounting purposes.

The value of deferred assets and liabilities is determined based on the tax rates that are expected to be applicable to taxable income in the year in which the temporary differences will be deducted or taxed. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the results of operations in the year in which they become effective.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which it can be utilized. The Bank's management believes that estimates of future taxable income are reasonable and sufficient to realize the deferred tax asset recognized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow some or all of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each consolidated financial statement closing date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax will be calculated provided that the financial institution has generated income tax in any of the last three fiscal years and there will be no creation of a deferred tax asset, with credit to the consolidated statement of income and net income allocation, for an amount greater than the current tax based on taxable income.

**(k) Labor Benefits**

On 13 November 2020, the renewal of the Collective Bargaining Agreement that was in effect until 1 July 2020 was entered into, in which a revision and extension of the clauses of the previously approved Collective Bargaining Agreement was made, and it is established that it will be in effect until there is a new agreement between the parties. This Collective Bargaining Agreement was in effect until 30 June 2021, and on 23 July 2021 the renewal of this agreement was signed, where the clauses of the previous agreement were reviewed, which did not have significant changes. This new Collective Bargaining Agreement is effective at 1 July 2021 and its term will be three years. After this period, the economic, social and union stipulations that benefit the employees will remain in force until a new contract is entered into.

**Accrual for severance indemnities**

The Bank accrues and transfers monthly to a trust on behalf of each employee, as a guarantee of social benefits, the equivalent of 15 days of salary, up to a total of 60 days per year of service, calculated based on the last salary earned by the employee at the end of each quarter. Additionally, as from the second year of service, the Bank accrues to each employee two additional days per year of service or fraction greater than six months, cumulative up to a maximum of 30 days. During the semesters ended 31 December and 30 June 2024, the Bank determined the effect of the retroactivity scheme through a non-actuarial calculation, which consisted in the determination of the social benefits in accordance with Article 142 (b) of the Organic Labor Law, recognizing additional expenses and liabilities for the employees which calculation was greater than the accrued social benefits guarantee.

Upon termination of the labor relationship, the Bank will make the retroactive calculation of social benefits, based on 30 days of salary for each year of service or fraction greater than six months, taking for this purpose the last salary earned by the employee; and will pay the amount that is greater between the social benefits guarantee and the retroactive calculation.

**Profit sharing**

The Bank's Collective Labor Agreement requires the Bank to distribute an annual profit sharing to all of its employees for a maximum amount equivalent to 150 days of salary, which is payable in April and July, and the remainder in November each year.

**Vacation and vacation bonus**

Based on the provisions of the Organic Labor Law and the Collective Labor Agreement, the Bank grants annually at least 15 days of effective vacation and 23 days of salary for vacation bonus, based on the seniority of the employees.

**(l) Financial Income**

Financial income is included in the results of operations as earned, with the exception of interest accrued by loans and matured discounts and under litigation, which are recognized as income when collected.

Deferred income from short- and long-term loans is recognized as income during the term of the loan or upon presentation and settlement of the valuations, in the case of the loan portfolio to construction workers.

**(m) Financial Expenses**

Financial expenses are included in the results of operations as incurred.

**(n) Investments in Subsidiaries, Affiliated companies and Branches**

Investments in subsidiaries and affiliates other than banks are valued by the equity method when:

- More than 20% equity interest is held over the equity of the subsidiary or affiliate.
- Less than 20% of the subsidiary's or affiliate's equity is owned, but there is significant influence in the management of the subsidiary or affiliate; that is, when without having a majority of the votes, the Bank is in a position to influence operational and financial decisions and the Bank intends to be maintain it over time.

The basis for calculation is the audited financial statements of the subsidiary or affiliate in nominal bolivars. If this documentation is not available, such share is calculated based on the most recent unaudited financial information provided by the subsidiary or affiliate.

Other investments in companies in which less than 20% of the subsidiary's or affiliate's equity is held and does not have significant influence in the management of the subsidiary or affiliate, are recorded in accordance with the cost method. Long-term investments in shares of other companies are measured and recorded, at the date of acquisition of the shares, at the total amount paid for them. This total includes the acquisition cost plus all commissions and other costs incurred to purchase them, provided that the total does not exceed the market value.

**(o) Trust Assets**

Accounts in the trust's balance are presented with the same parameters used by the Bank to value its balance sheets accounts, except for investment securities which must be presented and valued at acquisition cost and, it must be consistent with market value, adjusted by amortization of the premium and/or discount. If permanent impairment is observed in the investment's value, it is recorded in the results for the period when impairment occurred.

Overdue investment securities and the corresponding interest are reclassified to other assets, and if after 30 days subsequent to their maturity date they have not been collected, the amounts must be fully provisioned 100%.

The Bank's Trust consider the quoted value on the stock exchange as market value, which is also considered similar to fair value as set forth in the Accounting Manual for Banks.

The loans are granted by directed funds and by loan requests from the beneficiaries of the funds, and therefore no provisions are required. For the overdue loan portfolio of administration trusts, the Trust's management conducts an analysis of its maturity and establishes a provision.

**(p) Off-balance-sheet Financial Instruments**

In the ordinary course of business, the Bank enters into off-balance sheet financial instruments, consisting of commitments to extend credit and commitments on credit card agreements. Such instruments are reflected as commitments when the related contract is entered into and are recorded in the financial statements when the disbursement is made, i.e., when they are triggered by the allocation of funds or when the related fees are incurred or received. In cases of non-utilization of credit lines, no additional costs are incurred by the Bank.

**(q) Net Income per Share**

Net income (net profit) per share has been determined by dividing the net income for the semester by the weighted average of circulating shares during the semester.

**(r) Consolidated Statements of Cash Flows**

For the purpose of the consolidated statements of cash flows, the Bank considers its cash and due from banks, such as cash and cash equivalents.

**(s) Commitments and Contingencies**

The effects of long-term commitments with third parties, such as supply contracts with clients or suppliers, are recorded in the consolidated financial statements considering the economic substance of the agreements on the basis of the amounts incurred or earned, and the relevant commitments are disclosed in the notes to the consolidated financial statements. Obligations or losses associated with contingencies from claims, litigation, fines or penalties in general are recognized as liabilities in the balance sheets, when a certain or legal obligation resulting from past events exists and it is probable that a disbursement will be necessary to pay for the obligation and the amount can be fairly estimated; otherwise, qualitative details on the situation causing the contingency are disclosed in the notes to the consolidated financial statements. No contingent assets, income or revenues are recognized.

#### **(4) Risk Management**

The Bank is mainly exposed to credit, liquidity, market and operating risks. The Bank's risk policy to manage these risks is described as follows:

- **Credit Risk:** The Bank assumes the credit risk exposure as the risk of a counterparty being incapable of paying debts entirely upon maturity. Credit risk exposure is monitored by the Bank by means of a regular analysis of the borrower's payment capability. The Bank structures the credit risk level placing limits in relation to a borrower or group of borrowers.
- **Liquidity Risk:** It is the risk where the Bank may face difficulty to comply with obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Bank reviews daily its resources available in cash, overnight placements, current accounts, loans and guarantees. The Bank's investment strategy aims towards guaranteeing the adequate level of liquidity. A significant part of cash is invested in sight deposits at the BCV.
- **Market Risk:** The market risk is materialized when market conditions change adversely, affecting liquidity and the value of the financial instruments the institution maintains in investment portfolios or contingent positions, resulting into a loss for the institution. The market risk is mainly constituted by interest rates risks and exchange rate risks.

The interest rate risk materializes due to the temporary differences existing between assets and liabilities in the balance. This difference, before adverse interest rate changes, generates a potential impact over the institution's financial margin. The Bank establishes a maximum exposure to be assumed before the change in interest rate. This limit is fixed as the maximum loss the Bank is willing to assume before a significant variation. Such variation is analyzed by the Risks Integral Committee on a monthly basis. There is a low interest rate risk exposure, as these are ruled by the BCV.

The exchange rate risk is the risk that the value of a financial instrument fluctuates due to changes in the foreign currency rates. The Bank's operations are essentially conducted in bolivars. The Bank identifies a market opportunity in the short and medium term, investments shall be placed in foreign currency instruments, observing the regulatory limits established. The extent of this risk the Bank assumes is determined by the net position and predominant volatility of the exchange rates (the greater the position or volatility of the exchange rate, the greater the risk will be). The quantification of the exposure to the exchange rate will be measured as the net open position in each currency. Due to the exchange control regime existing in the country, the Bank does not assume significant risks for this concept.

- **Operating Risk:** The operating risk is the risk that a direct or indirect loss provided by a broad variety of causes associated to the Bank's processes, personnel, technology and infrastructure, and the external factors other than credit risks, liquidity and market, such as those arising in the legal and regulatory requirements, as well as the generally accepted standards of corporate conduct. Operating risks arise from all the Bank's operations.

It is assumed by the Bank as the loss resulting from deficiencies or failures in internal processes, human resources or systems, or as those derived from external circumstances.

The Bank's objective is to manage operating risk in order to balance the prevention of financial losses and damages to the Bank's reputation with the cost's general effectiveness and avoid control procedures that restrict initiative and creativity.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

At 31 December and 30 June 2024, the Bank does not maintain hedging instruments that allow minimizing the abovementioned risks. Management's overall risk management focuses on the unpredictable nature of financial markets and seeks to minimize potential adverse effects on the Bank's financial performance.

**(5) Cash and Cash Equivalents**

A detail of cash accounts follows (in bolivars, except for the amounts in US dollars, Euro and Colombian pesos):

	<b>Note</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Notes and coins:			
National		516,258,804	431,022,486
Foreign (including US\$83,316,523, €4,856,771 and COP22,084,000; and US\$124,442,739, €4,973,307 and COP11,838,590, respectively)	6	4,586,113,407	4,717,906,900
Foreign notes and coins acquired in operations as per Free-convertibility Exchange Market System (including US\$8,835,561, €302,332 and COP2,000; and US\$10,183,540, €307,772 and COP1,590)	6	474,846,997	382,209,143
		<u>5,577,219,208</u>	<u>5,531,138,529</u>

A detail of the BCV accounts follows (in bolivars, except for the amounts in US dollars and Euro):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Legal reserve		3,597,845,070	3,449,745,743
Foreign notes and coins under the custody of the BCV (Including US\$19,556,001 and €30; and US\$37,094,166 and €30, respectively)	6	1,014,899,395	1,348,563,277
Other deposits in the BCV (US\$21,000, for both semesters)	6 and 17	1,089,837	763,457
Demand deposits		<u>6,608,276</u>	<u>11,823,200</u>
		<u>4,620,442,578</u>	<u>4,810,895,677</u>

**Legal reserve**

The Bank is required to maintain in the account of the Central Bank of Venezuela (BCV account) a legal reserve in legal tender (bolivars) calculated on the total of net obligations in local and foreign currency. The minimum legal reserve requirement is 73% of the amount of net obligations in local currency, and 31% of the amount of net obligations in foreign currency, for the semesters ended 31 December and 30 June 2024. These legal reserve obligations have caused and may continue to cause challenges for the Bank in its monetary liquidity and financial intermediation.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

A detail of the legal reserve at the date of the consolidated financial statements follows (in bolivars):

	<b>31 December 2024</b>	<b>30 June 2024</b>
Legal reserve maintained	3,597,845,070	3,449,745,743
Legal reserve required -		
Theoretical	8,976,852,711	6,086,297,260
Deductions in conformity with the provisions of the BCV	(2,121,967,825)	(2,636,551,517)
Legal reserve required, net of deductions	<u>6,854,884,886</u>	<u>3,449,745,743</u>
Legal reserve deficit	<u>(3,257,039,816)</u>	<u>-</u>

A detail of deductions applied to the requirements of the legal reserve in conformity with the provisions of the BCV through notices and resolutions follows (in bolivars):

		<b>31 December 2024</b>	<b>30 June 2024</b>
Bank intervention	(a)	550,135,825	1,163,663,586
Deficit interest	(b)	-	660,207,931
Hedging securities	(c)	<u>1,571,832,000</u>	<u>812,680,000</u>
		<u>2,121,967,825</u>	<u>2,636,551,517</u>

- (a) Corresponding to the foreign exchange intervention in accordance with BCV Resolution No. 19-09-03 dated 21 October 2019, according to which the constitution of the legal reserve must be made as of the day the foreign exchange intervention was executed and until the last day of the subsequent week, where the BCV will deduct the amount in bolivars equivalent to the amount applied in the operation; as well as. in the case of interbank operations destined to the final demand, the deduction will be made the following bank working day and until the last day of the subsequent week.
- (b) In accordance with BCV Notice S/N dated 22 October 2021, issued by the BCV, according to which discounts will be calculated daily and will be determined by the sum of the interest paid to the BCV on the deficit of the legal reserve.
- (c) In accordance with BCV Notice S/N dated 28 March 2022, according to which the deduction will be equivalent to the amount liquidated to individuals and legal entities, on the occasion of the acquisition of the Hedging Securities, which will be applied from the day on which the liquidity absorption operation is liquidated until the last day of the following week.

By means of Ruling S/N, on 10 October 2024, the BCV establishes that as of 11 October 2024, discounts will be solely applied to the requirement of legal reserve related to hedging securities and foreign exchange intervention.

Those banking institutions with legal reserve deficit must pay a financial cost daily that will be calculated and received by the BCV.

**Interest to the BCV**

During the six-month periods ended 31 December and 30 June 2024, the Bank recorded the amounts of Bs444,135,307 and Bs186,564,410, respectively, in the consolidated statements of income and net income allocation, included in the other financial expenses account, corresponding to interest expenses on the legal reserve deficit.

The Bank, through communications dated 7 November and 29 November 2024, requested authorization to amortize, within a period of three months, the expenses for the payment made to the Central Bank of Venezuela derived from the interest generated in the months of October, November and December 2024, respectively, corresponding to the legal reserve deficit. The Superintendency, through Rulings dated 8 November and 5 December 2024, authorized the Bank via exception to record as a deferred expense the interest generated in the abovementioned months. At 31 December 2024, the deferred interest for this concept amounts to Bs247,695,722 [see notes 13 and 30 (b)].

***Exchange Operations***

At 31 December and 30 June 2024, the Bank maintains Bs4,784,048,639 (including US\$75,107,130 and €20,141,644) and Bs2,756,188,867 (including US\$38,666,523 and €19,889,011), respectively, in Banks and correspondents abroad. Furthermore, it includes the amount of US\$2,549,748 and US\$3,818, respectively, equivalent to Bs132,324,252 and Bs138,790, respectively, deposited in the BNC International Banking Corporation, corresponding to customers' deposits received from the Bank in accordance with Exchange Agreement N° 20 (see note 24).

During the semesters ended 31 December and 30 June 2024, the Bank recognized interest income of Bs19,934,998 and Bs12,167,734, respectively, recorded in the financial income from cash and cash equivalents account in the consolidated statements of income and net income allocation, as a result of the yields obtained from deposits in foreign correspondent banks.

On 5 September 2019, the BCV issued Resolution N° 19-09-03, which establishes that when the BCV deems it pertinent, it may carry out foreign currency sale transactions to financial institutions by debiting the single account held by such financial institutions with the BCV for the amount of bolivars equivalent to the foreign currency sold by the BCV. Likewise, the total foreign currency position sold must be used in foreign currency purchase and sale operations integrated to the Foreign Exchange Market System, to its private sector clients at the official exchange rate in effect on the date of the transaction, except for those that integrate the banking and stock market sectors. The amount in bolivars equivalent to the amount of the exchange intervention will be deducted from the amount of the legal reserve from the date of the transaction until the last day of the following week. Additionally, this Resolution establishes that in the event that the banking institutions do not manage to apply all the foreign currency sold that was liquidated as a result of the foreign exchange intervention, the balance not applied in purchase and sale operations will not be subject to the deduction of the legal reserve fund for the following week. At 31 December and 30 June 2024, the Bank maintains bills for Bs1,014,899,395 (US\$19,556,001 and €30) and Bs1,348,563,277 (US\$37,094,166 and €30), respectively, under custody of the BCV, which are sold to customers through this mechanism, which in turn are part of the customers' deposits included in the current accounts according to the Free Convertibility Exchange Market System. Also, during the semesters ended 31 December and 30 June 2024, the Bank charged its customers commissions for exchange intervention operations and transfer of banknotes to customers for Bs59,098,059 and Bs41,395,478, respectively, which are included in the other operating income account in the consolidated statements of income and net income allocation (see note 19).

***Bills for Immediate Collection***

At 30 June 2024, the account of immediately collectible bills for Bs455,400 corresponds to clearing house operations in charge of the BCV and other banks.

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

### (6) Foreign Currency Operations

At 31 December and 30 June 2024, the Bank valued its assets, liabilities and memorandum accounts in foreign currency at the exchange rates in effect at those dates, corresponding to the weighted average of the transactions traded in the Foreign Exchange Market System, in accordance with Exchange Agreement N° 1 dated September 2018, as follows:

	31 December 2024	30 June 2024
Bolivars per US\$1	51.8970	36.3551
Bolivars per €1	53.9402	38.9428
Bolivars per COP1	0.0118	0.0088

A summary of income from operations conducted in foreign currency, which are presented as part of the consolidated statement of income and net income allocation (in bolivars) follows:

		Semesters ended	
	Notes	31 December 2024	30 June 2024
Other operating income -			
Gain from exchange difference	19	86,814,864	201,165,874
Other operating expenses -			
Loss from exchange difference	20	6,132,582	38,493,690

A detail of assets, liabilities and memorandum accounts in foreign currency follows:

	31 December 2024			30 June 2024		
	US\$	€	COP	US\$	€	COP
Assets -						
Cash and cash equivalents	201,799,207	25,462,769	22,086,000	222,561,065	25,332,298	11,840,180
Investment securities	106,809,604	-	-	32,023,786	-	-
Loan portfolio	40,981,805	-	-	28,322,779	-	-
Provision for loan portfolio	(1,373,590)	-	-	(1,273,180)	-	-
Interests and commissions receivable	6,445,209	-	-	4,649,342	-	-
Provision for returns receivable	(4,867,635)	-	-	(4,529,158)	-	-
Investments in affiliates,						
subsidiaries and branches	-	97,965	-	-	97,965	-
Fixed assets	8,001	-	-	9,825	-	-
Other assets	1,791,692	867,491	-	2,088,750	3,892,518	-
Total long position	351,594,293	26,428,225	22,086,000	283,853,209	29,322,781	11,840,180
Liabilities -						
Customers' deposits	251,401,599	19,047,780	22,082,000	222,264,247	14,976,246	11,837,000
Other financing obtained	19,069,201	-	-	51,758	-	-
Interests and commissions payable	50,041	-	-	72,551	-	-
Accruals and other liabilities	23,613,972	2,345,707	2,000	25,255,565	6,500,520	1,590
Total short position	294,134,813	21,393,487	22,084,000	247,644,121	21,476,766	11,838,590
Net long position	57,459,480	5,034,738	2,000	36,209,088	7,846,015	1,590
Memorandum accounts -						
Trust assets	65,645,927	-	-	65,647,827	-	-
Memorandum accounts	87,972,467	-	-	83,659,350	-	-
Total memorandum accounts	153,618,394	-	-	149,307,177	-	-

On 5 April 2019, by means of Resolution N° 19-04-01 published in Official Gazette of the Republic of Venezuela N° 41.611, the BCV established the Rules Regarding Foreign Currency Positions of Banking Institutions, according to which:

- The BCV will determine the maximum limit that the global net foreign currency position of each banking institution may reach at the close of each day's operations.
- The BCV will review at least semiannually the limits determined for each banking institution and may modify them whenever the situation and circumstances so advise.
- The percentage of interest to be paid by the banking institutions that exceed the limits is established.
- The BCV may authorize banking institutions to exclude certain transactions from the calculation of the foreign currency position authorized for such purpose, or to maintain in any way a total risk position in excess of that resulting from the maximum limit established.

Notice VOI/GOC/DNPC-004 dated 8 April 2019 of the BCV establishes:

- When the result of the net global position in foreign currency is that of a liability or of short-term, the maximum limit will be considered exceeded, and the amount exceeded will be charged the corresponding rate.
- All assets and liabilities in foreign currency shall be part of the global net position.
- The global net asset or net long-term position in foreign currency will not be subject to the maximum limit temporarily.

At 31 December and 30 June 2024, the Bank maintains a net long position of US\$57,459,480, €5,034,738 and COP2,000 and US\$36,209,088, €7,846,015 and COP1,590, respectively.

At 31 December and 30 June 2024, the Bank maintains a net foreign currency asset position in the memorandum accounts of the trust of US\$65,645,927 and US\$65,647,827, respectively.

### ***Exchange Control Regime***

On 29 November 2013, Decree N° 601 established the creation of CENCOEX and the Venezuelan Corporation for Foreign Trade. On 14 April 2014, Decree N° 903 set forth the suppression of CADIVI and its competencies were assumed by CENCOEX.

### ***Exchange Agreement N° 1***

Extraordinary Official Gazette of the Republic N° 6.405 dated 7 September 2018, published Exchange Agreement

N° 1, which repealed the 39 exchange agreements issued since January 2003 and its purpose is to establish the free convertibility of the currency throughout the national territory, with the purpose of favoring the development of the economic activity, in an orderly exchange market in which actions can be deployed to ensure its optimum operation. The agreement establishes that the exchange rate is governed according to the supply and demand of individuals and legal entities through the Exchange Market System, a system for the purchase and sale of foreign currency, in bolivars, in which demanders and suppliers participate without any restriction and which operation is in charge of the BCV. The exchange rate is published on the web page of the state banking institution. Additionally, individuals and legal entities in the private exporting sector may retain and manage 80% of the income they receive in foreign currency, the remainder must be sold to the BCV.

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**Other Control Exchange Standards**

Official Gazette of the Bolivarian Republic of Venezuela N° 41.452, dated 2 August 2018, published Derogatory Constituent Decree for the Foreign Currency Exchange Control Regime and its Infringements, whereby derogating the Decree with Rank, Value and Force of Law of the Exchange Regime and its Infringements, published in Extraordinary Official Gazette of the Bolivarian Republic of Venezuela N° 6.210 dated 30 December 2015.

In Official Gazette of the Bolivarian Republic of Venezuela N° 41.580 dated 6 February 2019, the Central Bank of Venezuela, through an Official Notice, regulates the terms for the retail sale of foreign currency to the general public, contemplated in Exchange Agreement N° 1 issued back in September 2018. In accordance with the abovementioned regulations, universal banks may sell up to 1,000 Euro or the amount equivalent thereto in another currency, on a daily basis, per client, i.e., 4,000 Euro per calendar month or 8,500 Euro per calendar year. This Official Notice indicates that in the event that the operation's object is the purchase of foreign notes, the operation may not exceed from the amount of 500 Euro per day or the amount equivalent thereto in another currency. Similarly, the provisions set forth that the minimum amount permitted for retail sale of foreign currency for individuals is 50 Euro or the amount equivalent thereto in another currency, whilst the minimum amount has been set for legal entities in 500 Euro.

During the semesters ended 31 December and 30 June 2024, the Bank recorded gains mainly originated by the variation in the official exchange rate of the US dollar and the euro for Bs1,374,280,114 and Bs451,509,796, respectively, which were included in the consolidated statements of changes in equity under the item of gains or losses for exchange variations for net assets and liabilities in foreign currency [see note 23(c)].

**(7) Investment Securities**

Details on investment securities based on the intent of the Bank's management (in bolivars) follow:

	<b>31 December 2024</b>	<b>30 June 2024</b>
Placements in the Central Bank of Venezuela and inter-bank operations	3,632,790,000	-
Available for sale	148,081,241	101,007,494
Held to maturity	1,185,430,302	451,564,671
Of restricted availability	604,550,137	406,288,421
	<b>5,570,851,680</b>	<b>958,860,586</b>

**Placements in the Central Bank of Venezuela and inter-bank operations**

	<b>Realization value</b>	<b>Nominal value</b>	<b>Maturities</b>	<b>Interest rate (%)</b>
<b>31 December 2024 -</b>				
Inter-bank operations:				
Investment certificate Banco de Desarrollo Económico y Social de Venezuela (BANDES) (equivalent to US\$70,000,000)	3,632,790,000	3,632,790,000	30-01-2025	11

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## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

During the semesters ended 31 December and 30 June 2024, the Bank recognized interest income of Bs102,019,570 and Bs180,510, respectively, recorded in the consolidated statements of income and net income allocation, in the account of financial income from investment securities, resulting from the returns obtained from placements in the BCV and interbank operations.

### Available-for-Sale Investment Securities

	<u>Note</u>	<u>Acquisition cost</u>	<u>Net unrealized income</u>	<u>Fair market value</u>
<b>31 December 2024 -</b>				
Investment securities issued or endorsed by the Nation -				
Vebonos, with a nominal value of Bs40, annual return of 26.19% and maturing in August 2025		40	-	40 (a)
Global Bonds, equivalent to US\$2,321,067, with a nominal value of US\$14,670,800, annual return of 0.0001% and 9.25%, and maturing in September 2027	6	76,156,875	44,299,553	120,456,428 (a)
PDVSA Bonds, equivalent to US\$532,300, with a nominal value of US\$5,000,000, annual return of 6%, and maturing in November 2026	6	35,030,475	(7,405,702)	27,624,773 (a)
		<u>111,187,390</u>	<u>36,893,851</u>	<u>148,081,241</u>
<b>30 June 2024 -</b>				
Investment securities issued or endorsed by the Nation				
Vebonos, with a nominal value of Bs80, annual return of 26.19% and maturing in August 2025		80	-	80 (a)
Global Bonds, equivalent to US\$2,778,356, with a nominal value of US\$14,670,800, annual return of 0.0001% and 9.25%, and maturing in September 2027	6	53,349,728	47,657,686	101,007,414 (a)
		<u>53,349,808</u>	<u>47,657,686</u>	<u>101,007,494</u>

(a) The estimated fair value determined by the purchase and sale operations in the secondary market according to the valuation system screens or curves of return.

Available for sale investments at 31 December and 30 June 2024, are under custody and details thereon, follow:

<u>Investment Securities</u>	<u>Custodian</u>
Investment securities issued or endorsed by the Nation	Banco Central de Venezuela
Global Bonds	C.V.V. Caja Venezolana de Valores, S.A. AV. Securities, INC

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### Notes to the Consolidated Financial Statements

31 December and 30 June 2024

Through Ruling SIB-II-GGIBPV2-40535 dated 13 December 2012, the Superintendency informed the Bank that the *Reuters* and *Bloomberg* valuation systems cluster referential prices for the entire financial market, therefore, when no referential prices are found in these systems, the Bank will consider a similar system, or by default, will apply the present value (Curve of Return) for valuation of its available for sale investment portfolio, according to the provisions contained in the Accounting Manual. The Bank used these guidelines for valuation of these available for sale investment securities at 31 December and 30 June 2024.

At 31 December and 30 June 2024, the Bank recorded in the consolidated statements of changes in stockholders' equity unrealized net income in investment securities available for sale for Bs36,893,851 and Bs47,657,686, respectively, corresponding to foreign currency securities issued or endorsed by the Nation.

During the semesters ended 31 December and 30 June 2024, the Bank recognized interest income for Bs1,507 and Bs1,351, respectively, recorded in the consolidated statements of income and net income allocation, in the investment securities financial income item, as a result of the returns obtained from available for sale investment securities.

A classification of available for sale investment securities, according to their maturities (in bolivars), follows:

	Fair market value	
	31 December 2024	30 June 2024
Between 6 months and 5 years	148,081,241	101,007,494
Over 5 years	-	-
	<u>148,081,241</u>	<u>101,007,494</u>

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## Notes to the Consolidated Financial Statements

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### *Held-to-maturity investment securities*

	<b>Note</b>	<b>Acquisition cost</b>	<b>Amortized cost</b>	<b>Fair market value</b>
<b>31 December 2024 -</b>				
Investment securities issued or endorsed by the Nation -				
Global Bond in foreign currency, equivalent to US\$4,841,258, with a nominal value of US\$7,225,000, annual return of 9.25 % and maturing in September 2027	6	40,431,850	251,246,782	59,321,761 (a)
		<u>40,431,850</u>	<u>251,246,782</u>	<u>59,321,761</u>
Bonds and obligations issued by the Nation's non-financial institutions -				
PDVSA Bonds, issued by Petróleos de Venezuela, S.A., equivalent to US\$723, with a nominal value of US\$900, annual returns between 5.38 % and 5.50 %, and maturing in April 2027 and 2037	6	23,464	37,520	331,990 (a)
Term deposits in financial institutions abroad -				
Banco Do Brasil, S.A., equivalent to US\$18,000,000, with a nominal value of US\$18,000,000, returns between 4.25 % and 4.50 % and maturing in January 2025	6	934,146,000	934,146,000	934,146,000 (b)
		<u>934,169,464</u>	<u>934,183,520</u>	<u>934,477,990</u>
		<u>974,601,314</u>	<u>1,185,430,302</u>	<u>993,799,751</u>
<b>30 June 2024 -</b>				
Investment securities issued or endorsed by the Nation -				
Global Bond in foreign currency, equivalent to US\$4,400,731, with a nominal value of US\$7,225,000, annual return of 9.25 % and maturing in September 2027	6	28,323,474	159,989,018	49,743,590 (a)
Sovereign Bonds, equivalent to US\$19,500, with a nominal value of US\$60,100, annual return of 8.25 % and maturing in October 2024	6	346,347	708,930	357,893 (a)
		<u>28,669,821</u>	<u>160,697,948</u>	<u>50,101,483</u>
Bonds and obligations issued by the Nation's non-financial institutions -				
PDVSA Bonds, issued by Petróleos de Venezuela, S.A., equivalent to US\$713, with a nominal value of US\$900, annual returns between 5.38 % and 5.50 %, and maturing in April 2027 and 2037	6	16,437	25,923	3,960 (a)
Term deposits in financial institutions abroad -				
Banco Do Brasil, S.A., equivalent to US\$8,000,000, with a nominal value of US\$8,000,000, return of 5.21 % and maturing in July 2024	6	290,840,800	290,840,800	290,840,800 (b)
		<u>290,857,237</u>	<u>290,866,723</u>	<u>290,844,760</u>
		<u>319,527,058</u>	<u>451,564,671</u>	<u>340,946,243</u>

(a) The market value determined by the purchase and sale operations in the secondary market according to the valuation system screens or the present value of estimated future cash flows.

(b) Market value is equivalent to nominal value. Time deposits in financial institutions abroad denominated in foreign currency are presented at value equivalent to the official exchange rate.

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## Notes to the Consolidated Financial Statements

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Held to maturity investment securities at 31 December and 30 June 2024 are under custody as detailed below:

<b>Investment securities</b>	<b>Custodian</b>
Investment securities issued or endorsed by the Nation	C.V.V. Caja Venezolana De Valores, S.A. AV. Securities, INC Central Bank of Venezuela
Bonds and obligations issued by the Nation's non-financial institutions	Central Bank of Venezuela
Term deposits in financial institutions abroad	Banco Do Brasil, S. A.

During the semesters ended 31 December and 30 June 2024, the Bank recognized interest income for Bs32,953,869 and Bs17,239,305, respectively, recorded in the consolidated statements of income and net income allocation, in the investment securities financial income item, as a result of the return obtained from held-to-maturity investment securities.

During the semesters ended 31 December and 30 June 2024, the Bank recorded amortization income from discounts on held-to-maturity investments of Bs23,323,525 and Bs20,893,101, respectively, recorded in the consolidated statements of income and net income allocation, in the other operating income item (see note 19).

A classification of held-to-maturity investment securities, according to their maturities (in bolivars), follows:

	<b>31 December 2024</b>		<b>30 June 2024</b>	
	<b>Amortized cost</b>	<b>Fair market value</b>	<b>Amortized cost</b>	<b>Fair market value</b>
Between 1 month and 5 years	1,185,402,374	993,541,536	451,545,347	340,943,168
Over 10 years	27,928	258,215	19,324	3,075
	<b>1,185,430,302</b>	<b>993,799,751</b>	<b>451,564,671</b>	<b>340,946,243</b>

The Bank's capability and intention is for these securities to be held to maturity.

At 30 June 2024, the Bank holds an account at Euroclear Bank in the name of the BCV, in order to hold foreign currency securities in custody that are held in other financial institutions overseas, in accordance with the provisions contained in Article 51 of the Law of Banking Institutions.

At 31 December and 30 June 2024, the Bank has not recognized impairment on securities issued or endorsed by the Bolivarian Republic of Venezuela, even though the market value of these investments is below amortized cost, management considers that this decrease is temporary, as it may recover its face value at maturity by paying taxes and contributions.

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

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### ***Restricted Availability Investments***

		31 December 2024		30 June 2024	
		Amortized cost	Fair market value	Amortized cost	Fair market value
	<b>Notes</b>				
Certificates of deposit:					
Social Fund for Contingencies -					
Banco Exterior, C.A., Banco Universal	23	2,496,557	2,496,557	1,694,971	1,694,971 (a)
Collateral Trust -					
Mercantil, C. A., Banco Universal		25,257,068	25,257,068	11,068,180	11,068,180 (a)
PNC Bank, with a nominal value of					
US\$6,902,631 and US\$5,752,893,					
respectively	6	358,225,866	358,225,866	209,146,992	209,146,992 (a)
JP Morgan Chase Bank, with a nominal					
value of US\$3,761,624 and					
US\$4,621,593, respectively	6	195,216,996	195,216,996	168,018,483	168,018,483 (a)
Standard Chartered Bank, with					
a nominal value of US\$450,000,					
for both semesters	6	23,353,650	23,353,650	16,359,795	16,359,795 (a)
		<u>604,550,137</u>	<u>604,550,137</u>	<u>406,288,421</u>	<u>406,288,421</u>

(a) Market value is the equivalent to nominal value. For foreign currency deposits, value is the equivalent to the official exchange rate.

At 31 December and 30 June 2024, the deposit certificates at JP Morgan Chase Bank, PNC Bank and Standard Chartered Bank are used as collateral to guarantee the Bank's operations with VISA, MasterCard and American Express credit cards, respectively.

During the semesters ended 31 December and 30 June 2024, the Bank recognized interest income for Bs12,720,220 and Bs9,082,616, respectively, recorded in the consolidated statements of income and net income allocation, in the investment securities financial income item, as a result of the return obtained from restricted availability investments.

During the semesters ended 31 December and 30 June 2024, the Bank paid commissions for Bs144,884,233 and Bs93,540,665, respectively, recorded under other operating expenses, for use of trademarks and rights of use of its technology platform for processing VISA, MasterCard, American Express credit cards, as well as Proyecto Naiguatá for processing debit and credit cards (see note 20).

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## Notes to the Consolidated Financial Statements

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Investment securities are concentrated as shown below (in bolivars):

	%	Placement in the Central Bank of Venezuela	Available for sale	Held to maturity	Of restricted availability	Total
<b>31 December 2024 -</b>						
Banco de Desarrollo Económico y Social de Venezuela (BANDES)	65.21%	3,632,790,000	-	-	-	3,632,790,000
Central Bank of Venezuela	0.00%	-	40	-	-	40
Bolivarian Republic of Venezuela	6.67%	-	120,456,428	251,246,782	-	371,703,210
Petróleos de Venezuela, S.A.	0.50%	-	27,624,773	37,520	-	27,662,293
Banco Exterior, C.A. Banco Universal	0.04%	-	-	-	2,496,557	2,496,557
JP Morgan Chase Bank	3.50%	-	-	-	195,216,996	195,216,996
PNC Bank	6.43%	-	-	-	358,225,866	358,225,866
Standard Chartered Bank	0.42%	-	-	-	23,353,650	23,353,650
Banco Do Brasil, S. A.	16.77%	-	-	934,146,000	-	934,146,000
Mercantil, C. A., Banco Universal	0.45%	-	-	-	25,257,068	25,257,068
	100.00%	3,632,790,000	148,081,241	1,185,430,302	604,550,137	5,570,851,680
<b>30 June 2024 -</b>						
Central Bank of Venezuela	0.07%	-	80	708,930	-	709,010
Bolivarian Republic of Venezuela	27.22%	-	101,007,414	159,989,018	-	260,996,432
Petróleos de Venezuela, S.A.	0.00%	-	-	25,923	-	25,923
Banco Exterior, C.A. Banco Universal	0.18%	-	-	-	1,694,971	1,694,971
JP Morgan Chase Bank	17.52%	-	-	-	168,018,483	168,018,483
PNC Bank	21.81%	-	-	-	209,146,992	209,146,992
Standard Chartered Bank	1.71%	-	-	-	16,359,795	16,359,795
Banco Do Brasil, S. A.	30.33%	-	-	290,840,800	-	290,840,800
Mercantil, C. A., Banco Universal	1.15%	-	-	-	11,068,180	11,068,180
	100.00%	-	101,007,494	451,564,671	406,288,421	958,860,586

## (8) Loan Portfolio

A summary of the loan portfolio and risk concentrations per economic activity, per type of guarantee, per maturity and per type of loan (in bolivars), follows:

	At 31 December 2024					At 30 June 2024			
	Effective	Restructured	Overdue	Under litigation	Total	Effective	Restructured	Overdue	Total
Per type of economic activity - Operations in Venezuela									
Manufacturing industry	3,499,440,808	-	7,948,707	-	3,507,389,515	1,965,534,599	-	7,546,124	1,963,080,723
Agriculture, fisheries and forestry	2,918,812,430	129,213,690	4,820,416	-	3,052,846,536	1,519,148,575	90,517,212	4,807,100	1,614,472,887
Wholesale and retail, restaurants and hotels	2,600,334,643	7,783,994	79,824,209	2,608,377	2,690,551,223	1,316,353,830	-	18,330,888	1,334,684,718
Financial institutions, insurance, properties and services	1,785,402,240	-	11,696,016	-	1,797,098,256	1,241,084,623	5,410,169	25,876,471	1,272,371,263
Communal, social and personal services	659,840,241	-	148,701,947	-	808,542,188	524,809,984	-	28,972,088	553,782,072
Exploitation of mines and hydrocarbons	890,187	-	743,348	-	1,633,535	374,158	-	1,476,915	1,851,073
Transportation, storage and communications	190,143,032	-	3,638,192	-	193,781,224	69,183,250	-	110,623	69,293,873
Electricity, gas and water	-	-	-	-	-	40,004,688	-	-	40,004,688
Construction	57,101,694	-	438,182	-	57,539,876	53,519,032	-	-	53,519,032
	11,711,965,275	136,997,684	257,811,017	2,608,377	12,109,382,353	6,720,012,739	95,927,381	87,120,209	6,903,060,329
Per type of economic activity - Operations in Foreign Branch									
Manufacturing industry, equivalent to US\$20,714,222 and US\$10,933,381, respectively (see note 6)	1,046,462,642	-	28,543,350	-	1,075,005,992	397,484,150	-	-	397,484,150
Agriculture, fisheries and forestry, equivalent to US\$7,765,667 and US\$5,309,000, respectively (see note 6)	338,143,553	64,871,250	-	-	403,014,803	193,009,223	-	-	193,009,223
Financial institutions, insurance, properties and services, equivalent to US\$4,316,163 and US\$1,837,748, respectively (see note 6)	220,627,121	-	3,368,809	-	223,995,930	65,589,142	-	1,222,380	66,811,522
Wholesale and retail, restaurants and hotels equivalent to US\$2,284,570 and US\$4,371,755, respectively (see note 6)	118,562,329	-	-	-	118,562,329	158,426,625	-	508,971	158,935,596
Communal, social and personal services, equivalent to US\$3,513,307 and US\$3,615,113, respectively (see note 6)	182,330,075	-	-	-	182,330,075	129,610,037	-	1,817,754	131,427,791
Transportation, storage and communications, equivalent to US\$2,095,876 and US\$2,075,782, respectively (see note 6)	108,769,695	-	-	-	108,769,695	64,558,729	-	10,906,531	75,465,260
Construction, equivalent to US\$292,000 and US\$180,000, respectively (see note 6)	15,153,924	-	-	-	15,153,924	6,543,916	-	-	6,543,916
	2,030,049,339	64,871,250	31,912,159	-	2,126,832,748	1,015,221,822	-	14,455,636	1,029,677,458
	13,742,014,614	201,868,934	289,723,176	2,608,377	14,236,215,101	7,735,234,561	95,927,381	101,575,845	7,932,737,787
Provision for loan portfolio, including US\$1,373,590 and US\$1,273,180, respectively (see note 6)					(431,402,992)				(253,818,677)
					13,804,812,109				7,678,919,110

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

	At 31 December 2024					At 30 June 2024			
	Effective	Restructured	Overdue	Under litigation	Total	Effective	Restructured	Overdue	Total
Per type of guarantee - Operations in Venezuela -									
Bond	6,763,581,076	7,783,994	101,193,435	652,733	6,873,211,238	3,645,328,276	-	50,039,714	3,695,367,990
Collateral	1,175,337,511	-	8,253,091	-	1,183,590,602	995,481,924	-	13,229,891	1,008,711,815
Free	1,507,374,421	-	10,174,788	-	1,517,549,209	585,627,125	-	8,374,845	594,001,970
Endorsement	1,100,829,234	-	19,996,759	1,955,644	1,122,781,637	566,466,789	5,410,169	12,150,219	584,047,177
Real estate mortgage	1,078,553,850	129,213,690	118,192,944	-	1,325,960,484	860,479,668	90,517,212	3,325,540	954,322,420
Other collateral	85,412,278	-	-	-	85,412,278	-	-	-	-
Property mortgage	876,905	-	-	-	876,905	66,608,957	-	-	66,608,957
	<b>11,711,965,275</b>	<b>136,997,684</b>	<b>257,811,017</b>	<b>2,608,377</b>	<b>12,109,382,353</b>	<b>6,720,012,739</b>	<b>95,927,381</b>	<b>87,120,209</b>	<b>6,903,060,329</b>
Per type of guarantee - Operations in Foreign Branch -									
Collateral, equivalent to US\$14,017,723 and US\$9,094,731, respectively (see note 6)	632,039,204	64,871,250	30,567,333	-	727,477,787	330,639,863	-	-	330,639,863
Bond, equivalent to US\$9,309,849 and US\$7,876,045, respectively (see note 6)	483,153,223	-	-	-	483,153,223	286,334,374	-	-	286,334,374
Free, equivalent to US\$10,748,693 and US\$6,747,863, respectively (see note 6)	557,824,917	-	-	-	557,824,917	232,594,917	-	12,724,283	245,319,200
Endorsement, equivalent to US\$4,819,580 and US\$3,679,623, respectively (see note 6)	248,776,919	-	1,344,826	-	250,121,745	132,041,737	-	1,731,353	133,773,090
Other collateral, equivalent to US\$2,085,960 and US\$924,517, respectively (see note 6)	108,255,076	-	-	-	108,255,076	33,610,931	-	-	33,610,931
	<b>2,030,049,339</b>	<b>64,871,250</b>	<b>31,912,159</b>	<b>-</b>	<b>2,126,832,748</b>	<b>1,015,221,822</b>	<b>-</b>	<b>14,455,636</b>	<b>1,029,677,458</b>
	<b>13,742,014,614</b>	<b>201,868,934</b>	<b>289,723,176</b>	<b>2,608,377</b>	<b>14,236,215,101</b>	<b>7,735,234,561</b>	<b>95,927,381</b>	<b>101,575,845</b>	<b>7,932,737,787</b>
Per maturity - Operations in Venezuela -									
Overdue	401,171,197	-	105,080,872	2,608,377	508,860,446	126,763,574	-	64,194,116	190,957,690
Up to 30 days	1,042,939,021	-	416,362	-	1,043,355,403	565,341,899	-	59,198	565,401,097
From 31 to 60 days	775,129,079	-	758,036	-	775,887,115	585,282,114	-	156,706	585,438,820
From 61 to 90 days	861,772,854	-	293,276	-	862,066,130	379,816,827	-	3,418,762	383,235,589
From 91 to 180 days	2,819,696,252	-	227,834	-	2,819,924,086	1,215,118,674	-	2,413,358	1,217,532,032
From 181 to 360 days	4,304,450,888	7,783,994	25,838,077	-	4,338,072,959	2,460,917,125	5,410,169	408,838	2,466,736,132
Over 360 days	1,506,805,588	129,213,690	125,196,540	-	1,761,215,818	1,386,772,526	90,517,212	16,469,231	1,493,758,969
	<b>11,711,965,275</b>	<b>136,997,684</b>	<b>257,811,017</b>	<b>2,608,377</b>	<b>12,109,382,353</b>	<b>6,720,012,739</b>	<b>95,927,381</b>	<b>87,120,209</b>	<b>6,903,060,329</b>
Per maturity - Operations in Foreign Branch -									
Overdue	49,665,429	-	31,912,159	-	81,577,588	3,526,444	-	14,455,636	17,982,080
Up to 30 days	215,844,813	-	-	-	215,844,813	64,424,854	-	-	64,424,854
From 31 to 60 days	155,448,067	-	-	-	155,448,067	77,405,653	-	-	77,405,653
From 61 to 90 days	267,632,829	-	-	-	267,632,829	183,181,231	-	-	183,181,231
From 91 to 180 days	269,345,430	-	-	-	269,345,430	223,587,645	-	-	223,587,645
From 181 to 360 days	585,816,210	-	-	-	585,816,210	215,603,984	-	-	215,603,984
Over 360 days	486,296,561	64,871,250	-	-	551,167,811	247,492,011	-	-	247,492,011
	<b>2,030,049,339</b>	<b>64,871,250</b>	<b>31,912,159</b>	<b>-</b>	<b>2,126,832,748</b>	<b>1,015,221,822</b>	<b>-</b>	<b>14,455,636</b>	<b>1,029,677,458</b>
	<b>13,742,014,614</b>	<b>201,868,934</b>	<b>289,723,176</b>	<b>2,608,377</b>	<b>14,236,215,101</b>	<b>7,735,234,561</b>	<b>95,927,381</b>	<b>101,575,845</b>	<b>7,932,737,787</b>
Per type of loans - Operations in Venezuela -									
Commercial credits granted by means of UVC	9,819,933,287	53,913,090	223,450,144	2,608,377	10,099,904,898	5,265,584,329	32,314,510	62,374,330	5,360,273,169
National Sole Productive Loan Portfolio granted through UVC	1,438,988,957	83,084,594	1,175,474	-	1,523,249,025	1,207,466,877	58,202,702	-	1,265,669,579
Microcredits granted through UVC	194,691,049	-	27,967,991	-	222,659,040	148,640,909	5,410,169	20,126,787	174,177,556
Credits to employees	30,201,993	-	29,411	-	30,231,404	21,431,738	-	187,716	21,619,454
Credit cards	158,555,403	-	807,609	-	159,363,012	37,172,347	-	153,376	37,325,723
Checking account loans	322,684	-	4,380,388	-	4,703,072	2,176,714	-	4,278,000	6,454,714
Credits for vehicles through UVC	13,788,303	-	-	-	13,788,303	-	-	-	-
Mortgage loans	55,483,599	-	-	-	55,483,599	37,540,134	-	-	37,540,134
	<b>11,711,965,275</b>	<b>136,997,684</b>	<b>257,811,017</b>	<b>2,608,377</b>	<b>12,109,382,353</b>	<b>6,720,012,739</b>	<b>95,927,381</b>	<b>87,120,209</b>	<b>6,903,060,329</b>
Per type of loans - Operations in Foreign Branch -									
Commercial promissory notes, equivalent to US\$40,948,412 and US\$28,281,216, respectively (see note 6)	2,028,316,346	64,871,250	31,912,159	-	2,125,099,755	1,013,710,815	-	14,455,636	1,028,166,451
Loans to employees, equivalent to US\$33,393 and US\$41,563, respectively (see note 6)	1,732,993	-	-	-	1,732,993	1,511,007	-	-	1,511,007
	<b>2,030,049,339</b>	<b>64,871,250</b>	<b>31,912,159</b>	<b>-</b>	<b>2,126,832,748</b>	<b>1,015,221,822</b>	<b>-</b>	<b>14,455,636</b>	<b>1,029,677,458</b>
	<b>13,742,014,614</b>	<b>201,868,934</b>	<b>289,723,176</b>	<b>2,608,377</b>	<b>14,236,215,101</b>	<b>7,735,234,561</b>	<b>95,927,381</b>	<b>101,575,845</b>	<b>7,932,737,787</b>

### National Sole Productive Loan Portfolio

On 29 January 2020, the National Constituent Assembly issued a constituent decree published in the Official Gazette of the Bolivarian Republic of Venezuela N° 6.507, whereby the National Sole Productive Loan Portfolio is created. As a result, all regulatory provisions governing the mandatory loan portfolios are derogated and, the Governing Committee of the National Sole Productive Loan Portfolio is created. This Governing Committee will establish the value and other calculation parameters for the National Sole Productive Loan Portfolio each month through resolutions issued to that effect, which shall be equivalent to a minimum mandatory percentage of 10% and a maximum percentage of 25%, of the gross loan portfolio.

The Superintendency, through Notice SIB-II-GGR-GNP-CCD-05550 dated 11 August 2022, established that banking institutions must allocate to the Single National Productive Portfolio a minimum mandatory monthly percentage of 25% of the gross loan portfolio balance at the end of the immediately preceding quarter, discounting the increase due to capital restatement resulting from the application of the UVC, generated on commercial loans.

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

At 31 December and 30 June 2024, the gross loan portfolio corresponding to the productive sectors indicated by the Governing Committee of the National Sole Productive Loan Portfolio, follows:

Type of loan	Percentage required	Percentage maintained	Balance maintained in bolivars	Number of		Calculation bases of gross loan portfolio
				debtors	loans	
<b>31 December 2024 -</b>						
UVC Agri-food loans						
UVC loans aimed at production industry developed by women and mortgage loans	25%	19%	1,578,732,625	760	780	Gross loan portfolio at 30 September 2024, without the update of UVC commercial loans.
<b>30 June 2024 -</b>						
UVC Agri-food loans						
UVC loans aimed at production industry developed by women and mortgage loans	25%	24%	1,303,209,711	362	383	Gross loan portfolio at 30 March 2024, without the update of UVC commercial loans.

### Microcredits

The detail of the classification of the microcredit portfolio, as established in Article 6 of Resolution N° 021.18 dated 5 April 2018, follows (expressed in bolivars, percentages, number of debtors and credits, as well as their calculation bases):

Type of loan	Percentage required	Percentage maintained	Balance maintained in bolivars	Number of	
				debtors	credits
<b>31 December 2024 -</b>					
Microcredits -					
Trading activities (maximum 40% of the allocated microcredit portfolio)	Max. 40%	32.51%	72,376,376	141	150
Provision of services (maximum 40% of the allocated microcredit portfolio)	Max. 40%	20.07%	44,688,023	42	43
Transformation and production of agri-food and traditional industry (minimum 20% of the allocated microcredit portfolio)	Min. 20%	47.42%	105,594,639	19	20
(a)	Min. 3%	3.23%	222,659,038	202	213
<b>30 June 2024 -</b>					
Microcredits -					
Trading activities (maximum 40% of the allocated microcredit portfolio)	Max. 40%	17.02%	29,644,839	174	182
Provision of services (maximum 40% of the allocated microcredit portfolio)	Max. 40%	15.54%	27,073,581	45	47
Transformation and production of agri-food and traditional industry (minimum 20% of the allocated microcredit portfolio)	Min. 20%	67.44%	117,459,136	26	29
(a)	Min. 3%	3.23%	174,177,556	245	258

- (a) According to the Fourth Transitory Provision of the Law of Banking Institutions, a 3% minimum compliance percentage for the microcredit's portfolio was established, its calculation base is the gross portfolio of the immediately prior semester.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

During the six-month periods ended 31 December and 30 June 2024, income accrued and recorded in the income from loan portfolio account in the consolidated statements of income and net income allocation comprises the following (in bolivars):

	<b>Note</b>	<b>Semesters ended</b>	
		<b>31 December 2024</b>	<b>30 June 2024</b>
Financial interest		727,598,997	502,739,706
Increase in the investment Index of Loans			
Value unit of loans collected	23	1,002,265,878	449,018,636
Flat commission		110,216,844	62,755,897
		<u>1,840,081,719</u>	<u>1,014,514,239</u>

During the semesters ended 31 December and 30 June 2024, the Bank obtained net benefits from the variation in the capital of the UVC loans, which were recorded in the consolidated statements of changes in equity for Bs3,522,719,312 and Bs72,758,258, respectively. Additionally, the Bank applied to the results of the semesters ended 31 December and 30 June 2024, Bs1,002,265,878 and Bs449,018,636, respectively, of the net benefits previously mentioned, corresponding to the loans granted by means of UVC which are part of the income from loan portfolio [see note 23(c)].

In accordance with Resolution N° 009-1197 dated 28 November 1997, issued by the Superintendency, at 31 December and 30 June 2024, the Bank maintains a generic provision for loan portfolio contingencies of Bs149,945,144 and Bs85,032,978, respectively; and a Counter-cyclical provision of Bs106,402,116 and Bs60,031,397, respectively.

Changes in the provision for loan portfolio follow (in bolivars):

	<b>Notes</b>	<b>Semesters ended</b>	
		<b>31 December 2024</b>	<b>30 June 2024</b>
Balance at the beginning of the semester		253,818,677	216,365,626
Provision carried to expenses for uncollectibility of financial assets		177,556,881	45,053,284
Credit write-off		(16,589,634)	(64,673)
Release of provision for loan recovery		(23,953)	(3,595)
Reclassification to provision from returns receivable	9	(870,558)	(8,090,981)
Reclassification from provision to contingent loans	17	1,702	338
Adjustment for exchange rate variation		17,509,877	558,678
Balance at semester-end		<u>431,402,992</u>	<u>253,818,677</u>

At 31 December and 30 June 2024, past due loans on which interest has ceased to accrue interest amount to Bs289,723,176 and Bs101,575,845, respectively. At 31 December and 30 June 2024, memorandum accounts are included for Bs339,573 and Bs1,576,106, respectively, corresponding to interest not recognized as income on loans on which interest has ceased to accrue (see note 22).

During the semesters ended 31 December and 30 June 2024, the Bank charged commissions to its clients for Bs240,185,848 and Bs405,285,967, respectively, for the concept of specialized commission, recorded in other operating income in the consolidated statements of income and net income allocation (see note 19).

## **BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

### Notes to the Consolidated Financial Statements

31 December and 30 June 2024

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The Superintendency, through Official Letters SIB-II-GGIBPV-GIBPV4-06001 and SIB-II-GGIBPV-GIBPV4-06010, both dated 17 September 2024, regarding the collection of fees and commissions for amounts higher than the maximum percentages established by the Central Bank of Venezuela, indicated the following:

- The Bank charges the client at the time of liquidation and extension of the loans a commission called documentation expenses.
- The Bank charges clients delay payment interest at a rate higher than the maximum rate provided by the Central Bank of Venezuela in Resolution N° 22-03-01 dated 17 March 2022.

The Bank, through a communication sent on 2 October 2024, indicated the following:

- The collection of specialized services allows to cover the costs inherent to the granting and management of credit; as well as the monitoring of the credit, through an inspection visit; constituting in the background, a mechanism to compensate expenses actually incurred and to try to make the intermediation business viable, and not as a form of generating profit itself.
- The clients who benefit from credits have had the opportunity to formally learn about the acceptance of the clauses of the signed documents, previously approved by the Superintendency, in which the detail of the expenses associated with the granting is expressly indicated and have accepted its content without objecting to the collection, for which reason the Bank has maintained the collection of this percentage.
- The Bank charges its clients as a late interest rate, the maximum rate of 0.80%, in addition to the annual interest rate agreed in the respective operation, authorized by the Central Bank of Venezuela in Resolution N° 22.03.01 dated 17 March 2022; for all credits that make up the credit portfolio.

In communications sent on 30 September, 22 October and 13 December 2024, the Bank submitted to the consideration of the Central Bank of Venezuela the documentation regarding the service called Economic Advisory, requesting authorization to maintain the collection of the same as a specialized commission, in order to offset the expenses incurred by the Bank, a common practice in the Venezuelan financial system [see note 30 (d)].

At 31 December and 30 June 2024, the Bank maintains interest collected from debtors in advance at the time of settling the loan for Bs3,632,790 and Bs2,130,644, respectively, which are part of deferred income in the accruals and other liabilities group (see note 17). Such interest will be recorded as income as accrued.

During the six-month period ended 30 June 2024, the Bank recorded assets received in lieu of payment for Bs74,631,176, for the payment of three commercial promissory notes owed by Cartera de Inversiones Venezolanas, C.A. (see note 11).

At 31 December and 30 June 2024, the Bank's loan portfolio maintains risk concentrations in 10 individual customers, which represent 34% of the gross loan portfolio balance, for both semesters. Furthermore, the loan portfolio at 31 December and 30 June 2024 maintains risk concentrations in 10 groups of related companies, which represent 41% and 43% of the gross loan portfolio, respectively.

The Superintendency, through Ruling SIB-DSB-CJ-OD-00317 dated 21 January 2021, establishes that banking institutions may grant loans in foreign currency with funds obtained through deposits from the public in foreign currency or any other modality, with the prior authorization of the BCV and this regulatory entity. On 28 February 2024, as per Ruling SIB-II-GGR-GNP-00919, the Superintendency established a 30% maximum of such customer deposits.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

At 31 December and 30 June 2024, the Bank does not maintain loans in foreign currency, except those granted by the Foreign Branch.

The Superintendency, through Notice SIB-DSB-CJ-OD-00712 of 11 February 2022, instructs that banking institutions may grant loans in bolivars with the proceeds from customers' deposits in foreign currency, up to a maximum of 10% of such deposits registered in the group of current accounts, according to the Free Convertibility Exchange Market System as of 21 January 2022, which must be offered by the banking institution in the foreign exchange market system, for subsequent settlement in bolivars in the different credit modalities provided for in the Banking Sector Institutions Law and complementary regulations, which must be measured and expressed only through the use of UVC. Furthermore, the banking institutions that intend to enter into such credit operations must submit a contract proposal to the Superintendency for its subsequent approval.

**(9) Interests and Commissions Receivable**

A summary of interests and commissions receivable follows (in bolivars):

	<b>Note</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Investment securities -			
Available for sale, including US\$614 and US\$577, respectively	6	31,855	20,972
Held to maturity, equivalent to US\$4,851,254 and US\$4,524,525, respectively	6	252,462,085	164,489,575
Placements at the BCV and inter-bank operations, including US\$1,304,722, at 31 December 2024	6	67,711,169	-
		<u>320,205,109</u>	<u>164,510,547</u>
Loan portfolio -			
Effective loans, including US\$195,849 and US\$110,813, respectively	6	124,014,397	50,679,775
Restructured loans, including US\$62,160 at 31 December 2024	6	3,225,935	-
Overdue loans, including US\$17,188 and US\$13,427, respectively	6	18,125,277	7,274,547
Microcredits and other financial instruments		3,471,649	1,996,290
		<u>148,837,258</u>	<u>59,950,612</u>
Commissions receivable -			
Trust fund		1,503,077	934,419
		<u>470,545,444</u>	<u>225,395,578</u>
Provision for returns receivable and others, including US\$4,849,890 and US\$4,529,158, respectively	6	(271,836,174)	(173,524,544)
		<u>198,709,270</u>	<u>51,871,034</u>

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

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Changes in provisions for returns on capital receivable and others follow (in bolivars):

	Note	Semesters ended	
		31 December 2024	30 June 2024
Balances at the beginning of semester		173,524,544	151,238,011
Provision carried to expenses for uncollectibility of financial assets		22,155,016	12,134,266
Write-off applied		(719,152)	(8,012)
Reclassification from provision to loan portfolio	8	870,558	8,090,981
Adjustment for exchange rate variation		76,005,208	2,069,298
Balance at semester-end		271,836,174	173,524,544

**(10) Investments in Subsidiaries and Branches**

A detail of investments in subsidiaries, affiliates and branches follows (in bolivars):

	Notes	Number of nominal shares held	Equity carrying value of the Bank	Equity percentage	Net income from equity share
<b>31 December 2024 -</b>					
Issuing entity:					
Consortio Credicard, C.A.	24	340	510,387,409	33.33	74,652,941
Proyectos CONEXUS, C.A.	24	1,500	25,269,840	33.33	12,139,387
S.W.I.F.T. SCRL (€97,966)	6	22	5,284,252	0.01	-
Corporación Suiche 7B, C.A.		73,600	-	7.15	-
			540,941,501		86,792,328
<b>30 June 2024 -</b>					
Issuing entity:					
Consortio Credicard, C.A.	24	340	353,164,365	33.33	114,898,855
Proyectos CONEXUS, C.A.	24	1,500	15,619,957	33.33	3,231,353
S.W.I.F.T. SCRL (€97,966)	6	22	3,815,032	0.01	-
Corporación Suiche 7B, C.A.		73,600	-	7.15	-
			372,599,354		118,130,208

During the semesters ended 31 December and 30 June 2024, the Bank recognized income from equity share for Bs99,632,512 and Bs133,720,920, respectively, included in the consolidated statements of income and net income allocation, in the investment in subsidiaries and affiliates income account (see note 19). Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recognized a loss from equity share for Bs12,840,184 and Bs10,248,882, respectively, included in the consolidated statements of income and net income allocation, in the investment in subsidiaries and affiliates expenses account (see note 20).

During the six-month period ended 30 June 2022, the Bank acquired through the transfer of the rights and obligations of the operations of Banco Occidental de Descuento, Banco Universal C.A. [see note 1(c)], participation rights of 33.33% over Consortio Credicard, C.A., 33.33% on Conexus, C.A. and 7.15% on Corporación Suiche 7B, C.A., recorded at acquisition cost, which was determined through an appraisal that generated an excess of cost over the net assets of these entities, which has been recorded in other assets (see note 13).

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

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During the six-month period ended 30 June 2024, the Bank received cash dividends for Bs71,918,600, corresponding to the equity participation of Consorcio Credicard, C.A., which is included in the surplus to be applied as part of the equity item. Also, the Bank received cash dividends for Bs5,341,830, corresponding to the stock held in Corporación Suiche 7B, C.A., which is recorded under the cost method.

At 31 December and 30 June 2024, the Bank maintains an investment recorded at acquisition cost of €97,966 (see note 6), equivalent to Bs5,284,252 and Bs3,815,032, respectively, provided by 22 shares, with a nominal value of €125 each, acquired in September 2019 from Society for Worldwide Interbank Financial Telecommunications (SWIFT), an entity domiciled in Belgium, in which the Bank has less than 0.01% interest of its capital stock; therefore, the Bank does not have significant influence over such entity. Furthermore, such acquisition of shares was conducted in reference to and as a requirement for the rendering of the service.

A summary of the non-audited financial information of Consorcio Credicard, C.A. follows (in bolivars):

	<b>30 November 2024</b>	<b>31 May 2024</b>
Noncurrent assets -		
Intangible assets	163,155,950	79,081,532
Property, plant and equipment	809,296,198	815,802,095
Other assets	101,095,220	77,301,147
Total noncurrent assets	<u>1,073,547,368</u>	<u>972,184,774</u>
Current assets -		
Cash and cash equivalents	2,224,476,966	348,426,854
Trade receivable and other accounts receivable	2,700,756,802	631,467,458
Inventories	38,188,032	93,955,587
Investments	604,081,598	58,206,002
Prepaid expenses	287,547,087	168,382,285
Total noncurrent assets	<u>5,855,050,485</u>	<u>1,300,438,186</u>
Total assets	<u>6,928,597,853</u>	<u>2,272,622,960</u>
Liabilities -		
Current	3,883,351,163	185,314,892
Noncurrent	1,513,927,598	1,027,709,012
Total liabilities	<u>5,397,278,761</u>	<u>1,213,023,904</u>
Stockholders' equity	<u>1,531,319,092</u>	<u>1,059,599,056</u>
Total liabilities and stockholders' equity	<u>6,928,597,853</u>	<u>2,272,622,960</u>

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	<b>Semesters ended</b>	
	<b>30 November 2024</b>	<b>31 May 2024</b>
Income -		
Income from ordinary activities	2,754,089,703	1,137,472,081
Cost of sales	(148,331,507)	(62,963,119)
Operating cost	(290,675,809)	(125,195,232)
Gross income	2,315,082,387	949,313,730
General and administrative expenses	(1,197,231,865)	(389,776,254)
Financial income (cost), net	(196,468,020)	(87,425,036)
Operating income before income taxes	921,382,502	472,112,440
Income taxes	(359,388,294)	(134,103,188)
Net income for the period	561,994,208	338,009,252

A summary of the non-audited financial information of Proyecto Conexus, C.A. follows (in bolivars):

	<b>30 November 2024</b>	<b>31 May 2024</b>
Assets -		
Cash and cash equivalents	70,348,170	27,577,755
Investment securities	13,189,566	23,687,274
Fixed assets	16,962,129	18,180,857
Other assets	35,592,412	21,303,913
Total assets	136,092,277	90,749,799
Liabilities and Stockholders' Equity -		
Liabilities	60,275,175	43,885,241
Stockholders' equity	75,817,102	46,864,558
Total liabilities and stockholders' equity	136,092,277	90,749,799

	<b>Semesters ended</b>	
	<b>30 November 2024</b>	<b>31 May 2024</b>
Income -		
Income from ordinary activities	130,064,942	48,294,732
Operating costs	(40,772,400)	(12,271,631)
Gross operating income	89,292,542	36,023,101
Administrative and general expenses	(40,893,020)	(11,897,416)
Financial income, net	11,059,462	(1,445,628)
Net income for the period	59,458,984	22,680,057

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A summary of the financial statements of the Foreign Branch integrated to the financial statements of Banco Nacional de Crédito, C.A., Banco Universal follows (in US dollars and bolivars):

	31 December 2024		30 June 2024	
	US\$	Bs	US\$	Bs
<b>Assets</b>				
Cash and cash equivalents	15,402,850	799,362,203	18,846,227	685,156,175
Investment securities	14,150,184	734,352,555	2,146,733	78,044,660
Loan portfolio	39,608,215	2,055,548,811	27,049,599	983,390,455
Interests and commissions receivable	270,874	14,057,557	114,984	4,180,253
Fixed assets	8,001	415,228	9,825	357,189
Other assets	141,475	7,342,133	173,128	6,294,083
Total assets	69,581,599	3,611,078,487	48,340,496	1,757,422,815
<b>Liabilities and Stockholders' Equity</b>				
Liabilities:				
Customers' deposits	32,410,820	1,682,025,371	24,671,546	896,936,140
Other financing obtained	19,071,386	989,748,334	7,183,702	261,164,093
Interests and commissions payable	50,041	2,596,979	72,551	2,637,596
Accruals and other liabilities	236,177	12,256,887	209,158	7,603,957
Total liabilities	51,768,424	2,686,627,571	32,136,957	1,168,341,786
Stockholders' equity:				
Capital stock	7,599,462	394,389,524	7,599,462	276,279,083
Capital reserves	2,766,551	143,575,786	2,766,551	100,578,195
Accumulated results	7,447,162	386,485,606	5,837,526	212,223,751
Total stockholders' equity	17,813,175	924,450,916	16,203,539	589,081,029
Total liabilities and stockholders' equity	69,581,599	3,611,078,487	48,340,496	1,757,422,815
<b>Semesters ended</b>				
	31 December 2024		30 June 2024	
	US\$	Bs	US\$	Bs
Financial income	3,265,296	169,459,172	2,138,785	77,755,709
Financial expenses	(381,201)	(19,783,201)	(136,245)	(4,953,198)
Expenses from uncollectibility of loans	(431,460)	(22,391,494)	(115,097)	(4,184,361)
Other operating income	34,938	1,813,179	17,109	621,999
Other operating expenses	(402,846)	(20,906,512)	(409,480)	(14,886,680)
Transformation expenses	(474,677)	(24,634,328)	(456,898)	(16,610,565)
Miscellaneous operating income	16,679	865,591	206,174	7,495,473
Miscellaneous operating expenses	(6,810)	(353,419)	(3,872)	(140,767)
Expenses from realizable assets	(3,135)	(162,697)	(9,096)	(330,686)
Income tax expenses	(7,148)	(370,960)	(6,946)	(252,522)
Net income for the semester	1,609,636	83,535,331	1,224,434	44,514,402

At 31 December and 30 June 2024, assets, liabilities, equity and results of the Foreign Branch were translated from U.S. dollars to bolivars at the exchange rate in effect at those dates, corresponding to the Exchange System Market (see note 6) of Bs51.8970 and Bs36.3551 per US\$1, respectively.

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**(11) Realizable Assets**

A summary of changes in realizable assets follow (in bolivars):

	<u>Property</u>
Cost -	
Balance at 31 December 2023	53,418,056
Property received as payment	74,631,176
Effect of conversion of Foreign Branch	630,099
Withdrawal from the Foreign Branch	<u>(6,884,684)</u>
Balance at 30 June 2024	121,794,647
Effect of conversion of Foreign Branch	20,162,506
Balance at 31 December 2024	<u>141,957,153</u>
Accrued amortization -	
Balance at 31 December 2023	(53,418,056)
Amortization recognized in expenses	(4,146,176)
Effect of conversion of Foreign Branch	(630,099)
Withdrawal from Foreign Branch	<u>6,884,684</u>
Balance at 30 June 2024	(51,309,647)
Amortization recognized in expenses	(12,438,529)
Effect of conversion of Foreign Branch	<u>(20,162,507)</u>
Balance at 31 December 2024	<u>(83,910,683)</u>
Balance at 30 June 2024	<u>70,485,000</u>
Balance at 31 December 2024	<u>58,046,470</u>

During the six-month period ended 31 December and 30 June 2024, the Bank recorded amortization of realizable assets for Bs12,438,529 and Bs4,146,176, respectively, included in the consolidated statements of income and net income allocation, in the realizable assets expense account. It also recorded maintenance expenses for goods received in payment of Bs282,221 and Bs330,677, respectively.

During the semester ended 31 December and 30 June 2024, the Bank sold a property which book value tends to zero as a result of the monetary reconversion of 1 October 2021, according to which the unit of the monetary system of the Bolivarian Republic of Venezuela is the equivalent of one million bolivars before that date.

During the semesters ended 31 December and 30 June 2024, the Bank sold properties to third parties, recording profits on such sale for Bs247,773 and Bs5,271,490, respectively, in the account of income from realizable assets, in the consolidated statement of income and net income allocation.

During the semester ended 30 June 2024, the Bank recorded a property received as payment for Bs74,631,176, corresponding to the payment of three commercial promissory notes from Cartera de Inversiones Venezolanas, C.A. (see note 8).

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## Notes to the Consolidated Financial Statements

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### (12) Fixed Assets

A detail of fixed assets follows (in bolivars):

	Note	Buildings and facilities	Computer equipment	Furniture and equipment	Transportation equipment	Works in progress	Lands	Other assets	Total
Cost -									
Balances at 31 December 2023		616,206,985	126,914,647	53,359,527	2,226,640	142,908,679	1,011,994	15,053	942,643,525
Additions		32,055,993	28,879,170	8,967,969	-	76,178,676	-	1,942,729	148,024,537
Effect of conversion of Foreign Branch		120,556	44,457	18,034	-	-	-	-	183,047
Withdrawals and/or reclassifications		(27,415,361)	(8,303,634)	(148,720)	(183)	(11,186,410)	-	-	(47,054,308)
Balances at 30 June 2024		620,968,173	147,534,640	62,196,810	2,226,457	207,900,945	1,011,994	1,957,782	1,043,796,801
Additions		23,668,208	71,553,225	14,982,217	-	61,030,262	-	-	171,233,912
Effect of conversion of Foreign Branch		52,098,503	20,984,307	22,213,365	-	-	-	-	95,296,175
Withdrawals and/or reclassifications		152,108,663	17,511,066	84,222,309	(15)	(268,931,207)	-	-	(15,089,184)
Balances at 31 December 2024		848,843,547	257,583,238	183,614,701	2,226,442	-	1,011,994	1,957,782	1,295,237,704
Accumulated depreciation -									
Balances at 31 December 2023		(20,810,573)	(33,171,242)	(7,221,606)	(363,386)	-	-	-	(61,566,807)
Depreciation recognized in expenses	21	(7,737,898)	(23,381,624)	(5,595,405)	(222,585)	-	-	-	(36,937,512)
Effect of conversion of Foreign Branch		(120,556)	(179,925)	(52,305)	-	-	-	-	(352,786)
Withdrawals and/or reclassifications		1,156,871	568,770	39,176	183	-	-	-	1,765,000
Balances at 30 June 2024		(27,512,156)	(56,164,021)	(12,830,140)	(585,788)	-	-	-	(97,092,105)
Depreciation recognized in expenses	21	(8,726,273)	(25,714,166)	(7,537,522)	(222,586)	-	-	-	(42,200,547)
Effect of conversion of Foreign Branch		184,230	(1,409,038)	(436,852)	-	-	-	-	(1,661,660)
Withdrawals and/or reclassifications		292,134	-	-	15	-	-	-	292,149
Balances at 31 December 2024		(35,762,065)	(83,287,225)	(20,804,514)	(808,359)	-	-	-	(140,662,163)
Balances at 30 June 2024		593,456,017	91,370,619	49,366,670	1,640,669	207,900,945	1,011,994	1,957,782	946,704,696
Balances at 31 December 2024		813,081,482	174,296,013	162,810,187	1,418,083	-	1,011,994	1,957,782	1,154,575,541

During the semesters ended 31 December and 30 June 2024, additions to buildings and facilities include Bs186,407,477 and Bs32,055,993, respectively, corresponding to improvements made to the Bank's agencies network.

During the semesters ended 31 December and 30 June 2024, the Bank sold property to third parties, recording revenues from such sales for Bs112,048,050 and Bs164,499,013, respectively, in the extraordinary income item in the statement of income and net income allocation. At 31 December and 30 June 2024, the Bank recorded for this concept deferred income for Bs6,066,316 and Bs7,889,626 (see note 17).

At 30 June 2024, works in progress correspond to construction in progress and remodeling at the Bank's agencies network.

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**(13) Other Assets**

A detail of other assets follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Deferred expenses		80,662,608	77,513,825
Miscellaneous assets		62,690,211	15,482,863
Deferred income taxes	18(b)	7,963,546	15,083
Items pending application (including US\$27,026 and €861,291; and US\$55,178 and €3,422,203, respectively)	6	5,048,400,655	3,821,047,466
Miscellaneous -			
Operations provided by international credit cards (US\$1,370,537 and US\$1,739,731, respectively)	6	71,126,743	63,248,105
Advances to suppliers (includes US\$139,195; and US\$3,330 and €128,202, respectively)	6	113,629,682	219,229,171
Accounts receivable and offsetting of balances for credit cards (including US\$29,028 and US\$7,079, respectively)	6	1,759,079	470,678
Prepaid taxes		136,917,510	56,794,640
Other prepaid expenses		351,654,569	83,186,555
Sale of foreign currencies to exporters		-	5,532,820
Insurance (including US\$114,240 and US\$145,893, respectively)	6	5,928,694	5,303,954
Publicity and marketing		719,651	25,207,317
Other miscellaneous accounts receivable (including US\$225,956 and €6,200; and US\$112,583 and €1,213, respectively)	6	71,818,466	44,086,780
Total miscellaneous		<u>753,554,394</u>	<u>503,060,020</u>
Provision for other assets		<u>5,953,271,414</u> <u>(25,952,918)</u>	<u>4,417,119,257</u> <u>(16,507,015)</u>
		<u><u>5,927,318,496</u></u>	<u><u>4,400,612,242</u></u>

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## Notes to the Consolidated Financial Statements

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Changes in the deferred expenses account follow (in bolivars):

								Expenses from New Monetary Expression	Contribution to National Development Fund (FONDEN, S.A.)		
Goodwill								Operating systems (software)			
	Note	Consorcio Credicard, C.A.	Corporación Suiche 7B, C.A.	Proyectos Conexus, C.A.	American Express	Leasehold improvements	Licenses			Total	
Cost:											
Balance at 31 December 2023		34,964,024	3,356,393	436,049	10,987,800	40,976,542	51,617,093	5,528,442	733,792	3,988,633	152,588,768
Additions		-	-	-	-	8,206,658	13,233,901	1,180,946	2,423	-	22,623,928
Withdrawals		-	-	-	-	(9,346,766)	(13,824,206)	(4,400,044)	-	-	(27,571,016)
Balance at 30 June 2024		34,964,024	3,356,393	436,049	10,987,800	39,836,434	51,026,788	2,309,344	736,215	3,988,633	147,641,680
Additions		-	-	-	-	15,653,115	22,786,589	1,447,474	-	-	39,887,178
Withdrawals		-	-	-	-	(2,381,150)	(19,639,150)	(1,125,974)	(699,039)	(3,988,633)	(27,833,946)
Balance at 31 December 2024		34,964,024	3,356,393	436,049	10,987,800	53,108,399	54,174,227	2,630,844	37,176	-	159,694,912
Accrued amortization:											
Balance at 31 December 2023		(10,489,206)	(1,006,917)	(130,815)	(3,296,340)	(6,966,929)	(22,162,938)	(4,496,299)	(524,364)	(2,991,475)	(52,065,283)
Amortization carried to expenses	21	(3,496,402)	(335,639)	(43,605)	(1,098,780)	(4,650,184)	(24,909,388)	(706,550)	(122,130)	(997,158)	(36,359,836)
Withdrawals		-	-	-	-	75,437	13,824,206	4,400,044	(2,423)	-	18,297,264
Balance at 30 June 2024		(13,985,608)	(1,342,556)	(174,420)	(4,395,120)	(11,541,676)	(33,248,120)	(802,805)	(648,917)	(3,988,633)	(70,127,855)
Amortization carried to expenses	21	(3,496,404)	(335,641)	(43,605)	(2,197,560)	(6,556,110)	(21,377,830)	(1,105,619)	(84,136)	-	(35,196,905)
Withdrawals		-	-	-	-	571,167	19,853,628	1,179,989	699,039	3,988,633	26,292,456
Balance at 31 December 2024		(17,482,012)	(1,678,197)	(218,025)	(6,592,680)	(17,526,619)	(34,772,322)	(728,435)	(34,014)	-	(79,032,304)
Net carrying value:											
Balance at 30 June 2024		20,978,416	2,013,837	261,629	6,592,680	28,294,758	17,778,668	1,506,539	87,298	-	77,513,825
Balance at 31 December 2024		17,482,012	1,678,196	218,024	4,395,120	35,581,780	19,401,905	1,902,409	3,162	-	80,662,608

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## Notes to the Consolidated Financial Statements

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American Express, through a communication sent to the Bank on 30 October 2024, reported that in its capacity as Administrator of a System for processing credit card payments and similar, it made the decision to close the operations of the American Express Payment System on 29 June 2025 in Venezuela. Consequently, the calculation of the accumulated amortization was established based on the term indicated by American Express.

The Superintendency in Notice SIB-DSB-CJ-OD-08227 dated 9 November 2022, informs all banking institutions that the National Development Fund (FONDEN, S.A.) will be the collector of the resources contributed by the Public and Private Banks, related to the donation of financial resources for the support and recovery of the population of Las Tejerías. On 30 November 2022, the Superintendency in Notice SIB-II-GGR-GNP-08823, indicates the instructions for the deferral of the expense, and authorizes the recording of the donated amount in sub-account 181.06 "Other deferred expenses", which will be amortized in a term that will not exceed four semesters of accounting closing, by the straight-line method, in monthly, equal and consecutive installments, as from the month following the month in which the expense is originated.

A detail of items pending application follows (in bolivars):

	<b>Note</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Foreign exchange office transactions (including US\$20,906 and €764,446; and US\$50,571 and €3,641,749, respectively)	6	45,508,801	176,164,711
Interbank mobile payment transactions receivable (including US\$1,105 and €135; and US\$1,036, respectively)	6	2,889,691,058	1,717,279,491
Transactions in transit points of sale		1,510,446,508	1,375,909,369
Immediate credit transactions		596,770,025	544,315,748
Retail operations (including US\$1,496 and €96,711; and US\$1,001 and €145,558, respectively)	6	5,685,369	6,682,467
Other items applicable		75,448	359,723
Cash shortage (US\$3,520 and US\$2,570, respectively)	6	223,446	335,957
		<b>5,048,400,655</b>	<b>3,821,047,466</b>

At 31 December and 30 June 2024, the transactions per foreign exchange office correspond to agreed transactions of purchase and sale of foreign currencies between the Bank's customers, in accordance with the provisions of Resolution N° 19-05-01 dated 2 May 2019, issued by the BCV. These were automatically adjusted during the first days of January 2025 and July 2024, respectively. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recorded income from commissions collected for this concept for Bs111,703,381 and Bs36,139,505, respectively, under other operating income, in the consolidated statements of income and net income allocation (see note 19).

At 31 December and 30 June 2024, the interbank mobile payment transactions receivable correspond to bank transfers in customers' accounts from other banking institutions through the mobile application, which were automatically adjusted during the first days of January 2025 and July 2024, respectively. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recorded income from commissions charged to its customers for Bs259,984,102 and Bs132,823,493, respectively, for transactions carried out through said application in other operating income in the consolidated statements of income and net income allocation (see note 19).

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

At 31 December and 30 June 2024, the transactions in transit points of sale correspond to commissions charged to the affiliated stores for consumption made through the points of sale by customers with debit cards, which were automatically adjusted during the first days of January 2025 and July 2024, respectively. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recorded income from commissions on point-of-sale transactions for Bs372,556,204 and Bs207,305,319, respectively (see note 19). Also, during the six-month periods ended 31 December and 30 June 2024, the Bank recorded income from commissions collected for Bs44,064,587 and Bs39,728,212, respectively, for reimbursement of operating costs of point-of-sale terminals to merchants, which are included in other operating income in the consolidated statements of income and net income allocation (see note 19).

At 31 December and 30 June 2024, immediate credit operations correspond to instantaneous bank transfers in customers' accounts from other banking institutions, which were automatically adjusted during the first days of January 2025 and July 2024. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recorded income for this concept for Bs316,308,634 and Bs199,803,028, respectively, in other operating income in the consolidated statements of income and net income allocation (see note 19).

At 31 December and 30 June 2024, advances to suppliers correspond mainly to advances for the purchase of equipment, updating of technological information systems, ATMs and remodeling of branches and administrative headquarters.

A detail of other prepaid expenses follows (in bolivars):

	<b>Note</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Interests for legal reserve deficit	5	247,695,722	-
Insurance		39,241,040	54,767,743
LOCTI contribution		34,566,463	13,453,493
Licenses		25,789,873	11,659,433
Marketing		2,418,026	2,676,862
Improvements to agencies		562,278	459,290
Bloomberg services		713,743	-
Insurance premiums		667,424	164,792
Traveling expenses paid to employees		-	4,942
		<u>351,654,569</u>	<u>83,186,555</u>

A summary of changes in the balance for the provision maintained for other assets follows (in bolivars):

	<b>Note</b>	<b>Semesters ended 31 December 2024</b>	<b>30 June 2024</b>
Balance at the beginning of the semester		16,507,015	104,256
Provision carried to miscellaneous operating expenses	20	10,000,000	16,402,759
Write-offs		(554,097)	-
Balance at semester-end		<u>25,952,918</u>	<u>16,507,015</u>

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Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(14) Customers' Deposits**

A summary of customers' deposits follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Checking account deposits and sight certificates -			
Non-interest bearing checking accounts (US\$2,843,703 and €101,952, at 31 December 2024)		9,971,599,917	6,194,413,826
Checking accounts as per the Exchange Market System of Free Convertibility (US\$204,566,961, €18,944,328 and COP22,082,000; and US\$184,437,868, €14,882,220 and COP11,837,000, respectively)	6	11,624,556,431 776,633,732	7,216,296,524 676,031,611
Interest bearing checking accounts			
Checking accounts as per Exchange Agreement N° 20 (including US\$14,532,072 and €1,500; and US\$14,872,503 and €1,500, respectively)	6	754,251,825	540,749,731
Non-negotiable sight deposits and certificates bearing annual interests of 3%		760,683,308	617,607,087
Public, state and municipal administration levels		215,683,664	535,017,189
Special funds in trust (US\$267,020 and US\$268,920, respectively)	6	13,857,544	9,776,617
		<u>24,117,266,421</u>	<u>15,789,892,585</u>
Other sight obligations -			
Cashier's checks issued		6,179,882	2,456,485
Trust obligations		15,874,569	6,268,503
Advance collections to customers for credit cards		826,932	427,898
Obligations Mandatory Savings Fund for Housing	22(b)	6,343	68,005
Previous deposits for credit bills		34	33
		<u>22,887,760</u>	<u>9,220,924</u>
Savings deposits, with annual interests of 32% in individual accounts and 0.06% for customer deposits in foreign currency (including US\$16,899,952 and €92,526; at 30 June 2024)	6	<u>1,860,464,105</u>	<u>1,711,815,222</u>
Time deposits, bearing annual interests of 36% for customer deposits in bolivars and between 0.0001% and 5.33% for customer deposits in foreign currency (including US\$14,326,463 and US\$13,672,500, respectively), with the following maturities:	6		
Up to 30 days		70,086,899	24,588,132
From 31 to 60 days		34,440,097	13,487,736
From 61 to 90 days		79,765,689	59,985,889
From 91 to 180 days		184,220,234	92,487,455
From 181 to 360 days		378,337,531	89,687,993
		<u>746,850,450</u>	<u>280,237,205</u>
		<u>26,747,468,736</u>	<u>17,791,165,936</u>

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## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

At 31 December and 30 June 2024, checking accounts under the Free Convertibility Exchange Market System correspond to customers' deposits in foreign currency, held in Venezuela, in accordance with the provisions of Exchange Agreement N° 1 (see note 6). Additionally, during the semesters ended 31 December and 30 June 2024, the Bank charged commissions to its customers between 0.80% and 3% of the amount in cash in foreign currency withdrawn at branches and ticket offices, accruing income of Bs544,839,560 and Bs398,353,358, respectively, which are included in other operating income in the consolidated statements of income and net income allocation (see note 19).

During the semesters ended 31 December and 30 June 2024, the Bank recorded income from commissions related to transfers to foreign banks for Bs14,198,546 (US\$273,581) and Bs11,373,214 (US\$312,837), respectively, which are included in income from other accounts receivable in the consolidated statements of income and net income allocation. Also, during the six-month periods ended 31 December and 30 June 2024, the Bank paid commissions for bank transfers through correspondent banks abroad of Bs17,709,850 (US\$40,743) and Bs13,299,941 (US\$365,835), respectively, which are included in other operating expenses in the consolidated statements of income and net income allocation (see note 20).

At 31 December and 30 June 2024, the Bank maintains customers' deposits from official entities for Bs927,927,355 and Bs1,529,980,814, respectively.

Customers' deposits for operations in Venezuela bear interest in accordance with the rate ranges presented below:

	<b>31 December 2024</b>		<b>30 June 2024</b>	
	<b>Tasa (%)</b>			
	<b>minimum</b>	<b>maximum</b>	<b>minimum</b>	<b>maximum</b>
Operations in Venezuela, per type of obligation -				
Interest-bearing checking accounts	0.25	0.25	0.25	0.25
Deposits and sight deposits	36	36	36	36
Savings deposits	32	32	32	32
Term deposits	36	36	36	36
Operations in Foreign Branch, per type of obligation -				
Savings deposits	0.06	0.06	0.06	0.06
Term deposits	0.27	3	0.27	3

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Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(15) Other Financing Obtained**

A detail of other financing obtained follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Obligations with national financial institutions for up to a year -			
Financing from other national financial institutions under the overnight method, with annual returns between 20% and 300%, and 1% and 32%; and maturing in January 2025 and July 2024, respectively		305,000,000	38,000,000
Sight deposits from local financial institutions:			
Banco de Venezuela, S.A. Banco Universal, with annual returns of 80%; and 45%, and maturing in January 2025 and July 2024, respectively		628,641,702	504,473,668
Banco del Tesoro, C.A. Banco Universal, with annual returns between 30% and 35%; and maturing in July 2024		-	250,340,070
Banco de Desarrollo Económico y Social de Venezuela (BANDES), with annual return between 30% and 45%; and maturing in July 2024		-	380,000,000
Banco Bicentenario, Banco Universal, C.A., with annual return between 65%; and 35% and 50%, and maturing in January 2025 and July 2024, respectively		55,000,000	171,000,000
Banco de la Fuerza Armada Nacional Bolivariana with annual returns of 60%; and 38%, and maturing in January 2025 and July 2024, respectively		202,428,661	183,421,437
		1,191,070,363	1,527,235,175
Sight deposits in non-interest bearing checking accounts		6,008	6,408
		1,191,076,371	1,527,241,583
Obligations with financial institutions abroad up to a year-			
Sight deposits of financial institutions abroad:			
BNC International Banking Corporation (US\$51,734 and US\$51,758, respectively)	6 and 24	2,684,826	2,427,006
Banco de la Gente Emprendedora, C.A. (US\$27,889 at 31 December 2024)		1,447,346	-
Arca Internacional Bank, Inc.		1	1
		4,132,173	2,427,007
		1,195,208,544	1,529,668,590

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## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

A detail of expenses from other financing obtained follows (in bolivars):

	<b>Semesters ended</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
Obligations with local financial institutions for up to a year -		
Overnight operations	132,224,119	13,151,217
Sight deposits	223,163,495	398,846,421
	<u>355,387,614</u>	<u>411,997,638</u>

On 13 August 2014, the Superintendency, through Resolution N° 113.14, established that interbank placement will be limited by the lower amount resulting from comparing 10% of the equity at the close of the previous month of the entity placing the funds and 10% of the equity at the close of the previous month of the entity accepting the funds. At 31 December and 30 June 2024, the Bank is in full compliance with the requirements of this Resolution.

**(16) Interests and Commissions Payable**

A detail of interests and commissions payable follows (in bolivars):

	<b>Note</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Expenses payable for customers' deposits -			
Non-negotiable certificates of sight deposits		14,932,872	13,854,692
Term deposits (including US\$50,041; US\$72,551, respectively)	6	<u>2,682,465</u>	<u>2,664,872</u>
		<u>17,615,337</u>	<u>16,519,564</u>
Expenses payable for other financing obtained -			
Expenses payable for obligations with local financial institutions for up to a year		<u>12,919,495</u>	<u>15,742,199</u>
		<u>30,534,832</u>	<u>32,261,763</u>

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## Notes to the Consolidated Financial Statements

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**(17) Accruals and Other Liabilities**

A detail of accruals and other liabilities follows (in bolivars):

	Notes	31 December 2024	30 June 2024
Items pending application (including US\$302,682, €885,264 and COP2,000; US\$989,709, €5,186,007 and COP1,590, respectively)	6	2,695,421,300	1,675,170,914
Capital and interests payable to BOD clients (US\$9,708,372 and US\$9,822,484, respectively)	6 and 1(c)	503,835,365	357,097,382
Dividends payable		1,472,104	1,478,424
Accounts payable in foreign currency (including US\$12,280,955 and €528,334; US\$12,252,016 and €28,236, respectively)	6	661,891,486	446,190,455
Deferred income (including US\$410,711 and €13,283, at 30 June 2024)	6	33,696,423	23,674,468
Accruals for labor indemnities		20,630,551	21,950,824
Taxes withheld (including US\$8,840 and US\$93,714, respectively)	6	64,886,620	48,311,550
Transactions with international credit cards (including US\$782,990 and US\$1,406,371, respectively)	6	40,634,817	51,128,745
Provision for income taxes (including US\$14,094 and US\$18,369, respectively)	6 and 18(a)	65,199,219	889,617
Services payable		13,638,049	9,686,211
Vacation and vacation bonus payable (including US\$56,131 and US\$54,794, respectively)	6	12,427,553	11,344,981
Deferred income taxes	18(b)	26,040,846	41,891
Sale of foreign currency to exporters (US\$152,188 at 30 June 2024)	6	-	5,532,820
Bank insurance policies (including €932,095, for both semesters)	6	50,277,369	36,298,374
Provision for net worth tax		-	13,900,601
Special contribution for the protection of pension holders		5,567,929	4,190,660
Provision for Science, Technology and Innovation		41,470,250	17,162,450
Tax on economic activities and other taxes payable	18(d)	186,280	5,690,356
Fees payable (including US\$14,647 and US\$17,032, respectively)	6	1,251,236	13,674,324
Profit-sharing payable (including US\$2,011 at 30 June 2024)	6	-	2,813,376
Suppliers and other miscellaneous accounts payable (including US\$10,890 and US\$10,878, respectively)	6	3,341,429	1,915,460
Leases payable		18,183,376	14,382,094
Comprehensive prevention against money laundering and financing of terrorism		7,782,505	3,442,189
Organic Law on Sport, Physical Activity and Physical Education		5,541,621	1,969,567
Contributions and labor withholdings payable		1,248,482	886,721
Provision for contingent credits		4,386,546	4,388,248
Credit and debit card surcharges (including US\$10,881 and US\$240, respectively)	6	564,707	8,735
Other provisions		2,539,966	1,808,528
		<u>4,282,116,029</u>	<u>2,775,029,965</u>

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## Notes to the Consolidated Financial Statements

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A detail of items pending allocation follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Exchange desk transactions (including US\$60,226 and €785,724; and US\$802,849 and €3,798,382, respectively)	6	45,507,659	176,164,711
Electronic transfer for offsetting		1,028,098,936	672,266,052
Mobile payment operations payable (including US\$18,984 and €224; and US\$23,922 and €361, respectively)	6	1,400,810,780	689,082,489
Collection of local and municipal funds		111,700,804	54,650,427
Item applicable to correspondent bank (€1,600,000 at 30 June 2024)	6	-	62,308,480
Retail operations (including US\$6,612 and €99,061; and US\$20,693 and €152,279, respectively)	6	5,686,511	6,682,466
Client operations (including US\$149,180 and €35; and US\$67,633 and €89, respectively)	6	7,743,886	2,462,235
Other items applicable (including US\$43,322, €220 and COP2,000; and US\$50,813 and COP1,590, respectively)	6	94,782,887	10,790,597
Operations conducted through SICAD (US\$21,000, for both semesters)	5 and 6	1,089,837	763,457
		<u>2,695,421,300</u>	<u>1,675,170,914</u>

At 31 December and 30 June 2024, the exchange desk transactions correspond to foreign currency transactions made by the Bank's customers on the last days of December and June 2024, respectively, which were made effective on the first days of January 2025 and July 2024, respectively.

At 31 December and 30 June 2024, electronic transfers for offsetting correspond to transfers made by the Bank's customers to other banking institutions during the last days of December and June 2024, respectively, respectively, which became effective the first days of January 2025 and July 2024, respectively. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank collected commissions for interbank electronic transfers for Bs115,068,186 and Bs79,716,478, respectively, under other operating expenses in the consolidated statements of income and net income allocation (see note 19).

At 31 December and 30 June 2024, mobile payment transactions payable correspond to bank transfers from customers' accounts to other banking institutions by means of the mobile application, which were automatically regularized on the first days of January 2025 and July 2024. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank recorded expenses for commissions paid to its customers for Bs109,497,482 and Bs50,578,170, respectively, for transactions made through said application in other operating expenses in the consolidated statements of income and net income allocation (see note 20).

At 31 December and 30 June 2024, point of sale transactions payable correspond to the use of points of sale of other financial institutions by the Bank's customers, which have been adjusted during the first days of January 2025 and July 2024. During the semesters ended 31 December and 30 June 2024, the Bank recorded expenses for commissions charged to merchants for the use of points of sale for Bs94,393,896 and Bs78,898,671, respectively, which are included in other operating expenses in the consolidated statements of income and net income allocation (see note 20).

At 30 June 2024, the Bank maintains items applicable to correspondent banks for Bs62,308,480, corresponding to items in transit at Banco Sabadell. These items were adjusted during July 2024.

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At 31 December and 30 June 2024, accounts payable in foreign currency mainly include interest payable on customer securities held in custody by the Bank, which to date have not been claimed. The Bank's management is taking the necessary measures to settle these liabilities with their respective beneficiaries.

A detail of deferred income follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Options to purchase property (including US\$360,000 and US\$366,333, respectively)		18,682,920	13,318,085
Deferred income from sale of property	12	6,066,316	7,889,626
Interests charged in advance for loan portfolio (including US\$44,378 and €13,283; at 30 June 2024)	8	3,632,790	2,130,644
Deferred loan portfolio interests		4,700,742	-
Data center leasing		613,655	336,113
		<u>33,696,423</u>	<u>23,674,468</u>

A detail of taxes withheld follows (in bolivars):

	<b>31 December 2024</b>	<b>30 June 2024</b>
Value added tax	15,522,487	9,409,732
Income tax	46,009,861	20,530,211
Tax on large financial transactions (including US\$85,009 at 30 June 2024)	1,993,808	17,657,020
Revenue stamps	1,267,326	642,952
Municipal taxes	93,138	71,635
	<u>64,886,620</u>	<u>48,311,550</u>

A summary of changes in the provision for contingent loan portfolio follows (in bolivars):

		<b>Semesters ended</b>	
	<b>Note</b>	<b>32 December 2024</b>	<b>30 June 2024</b>
Balance at the beginning of the semester		4,388,248	7,038
Reclassification to provision for loan portfolio	8	(1,702)	(338)
Creation of provision for contingent loans		-	4,381,548
Balance at semester-end		<u>4,386,546</u>	<u>4,388,248</u>

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31 December and 30 June 2024

**(18) Taxes****(a) Income Tax**

The Bank's fiscal year ends on 31 December each year. The main differences between taxable income and financial income are originated by provisions and reserves, which are normally deductible for tax purposes in subsequent periods when they are actually incurred; income tax-exempt income generated by National Public Debt Bonds and other securities issued by the Bolivarian Republic of Venezuela.

The Income Tax Law in force establishes, among other aspects, for institutions engaged in banking and financial activities, a proportional tax of 40% on income, and the exclusion of the tax inflation adjustment system. The law also establishes that net operating losses may be carried forward during the following three fiscal years and may be offset only up to a maximum of 25% of the annual income.

A detail of reconciliations between financial income and net tax income of the Bank, regarding operations in Venezuela, for the tax period ended 31 December 2024 follows (in bolivars):

Tax fee as per Income Tax Law (%)	40
Financial income for the year before income taxes	904,064,678
Difference between accounting income and tax income	
Unpaid taxes	(4,258,590)
Loan portfolio, net	45,165,918
Incidental cost	234,573,765
Exempted income, net of related expenses	(207,602,439)
Non-deductible items	(63,035,082)
Non-taxable items	(746,158,250)
Tax income for the year in Venezuela	162,750,000
Losses from previous years used	-
Taxable net world income	162,750,000
Provision for current income tax in Venezuela	65,100,000

During the semesters ended 31 December and 30 June 2024, the Foreign Branch recorded an estimated income tax expense of US\$7,148 (equivalent to Bs370,950) and US\$6,946 (equivalent to Bs252,507), respectively. On 27 June 2019, the Overseas Branch received from the tax authorities of Curaçao the approval of Tax Ruling UR 19-0115 until 31 December 2024. Such Ruling establishes at 7% the basis for the determination of income tax, from the beginning of its operations, of all costs related to the activities carried out by the Branch Abroad, except for costs associated with disbursements and interest on debts. Costs for third-party services that are not an integral part of the activities of the Foreign Branch, excluding service fees, office and equipment rental, and telecommunication expenses, among others, are considered disbursements.

At 31 December and 30 June 2024, the Bank maintains an income tax provision of Bs65,199,219 and Bs889,617, which include US\$7,148 (Bs370,960) and US\$6,946 (Bs252,507), respectively, corresponding to the Foreign Branch (see note 17). Furthermore, at 31 December and 30 June 2024, the Bank maintains prepaid income tax of Bs136,839,465 and Bs56,794,640, respectively, which are part of other assets and are included in the Prepaid taxes and subscriptions group.

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A summary of income tax expenses follows (in bolivars):

	<b>31 December 2024</b>	<b>30 June 2024</b>
Income tax -		
Current income tax for operations in Venezuela	65,000,000	100,000
Current income tax for operations in foreign branch	370,950	252,507
Deferred (income) expenses	18,050,492	(13,515,669)
	<u>83,421,442</u>	<u>(13,163,162)</u>

**Regime for the Payment of Advances on Income Tax**

On 21 August 2018, the National Government published the Constituent Decree Establishing the Temporary Regime for the Payment of Advances on Income Tax for Taxpayers Qualified as Special Taxpayers who are engaged in economic activities other than the exploitation of mines, hydrocarbons and related activities, and who do not perceive royalties derived from such exploitation. The abovementioned Decree establishes that the advance payment of taxes payable in the case of Income Taxes will be determined on the basis of gross income from sales of goods and services obtained in the taxable period of the previous month within the National Territory and it will be between a minimum limit of zero-point five percent (0.5%) and a maximum of two percent (2%). The National Government will be able to establish different rates, without exceeding the limit established in said Decree. The percentage of advance payment of income taxes will be set at:

- two percent (2%) for financial institutions, the banking, insurance and reinsurance sector.
- one percent (1%) for the rest of taxpayers.

These advances will be deductible in the final income tax return. The advance payment regime established in this decree will be in force until its total or partial repeal by the National Government.

**(b) Deferred Taxes**

The Bank's management recognizes a deferred income tax asset in its financial statements when there is a reasonable expectation that future taxable income will allow its realization. In addition, the Accounting Manual establishes, among other aspects, that the Bank may not recognize deferred income tax in an amount greater than tax expenses.

The Bank's management determined and evaluated the recording of deferred income tax. The main differences between the tax basis and the financial basis at 31 December and 30 June 2024, that give way to it correspond to prepaid expenses, other provisions and accruals. At 31 December and 30 June 2024, the Bank maintains net deferred tax liabilities for Bs18,077,300 and Bs26,808, respectively.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

A detail of net deferred income taxes follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Assets -			
Other assets	13	7,963,546	15,083
Liabilities -			
Accruals and other liabilities	17	(26,040,846)	(41,891)
Deferred net income tax liabilities		<u>(18,077,300)</u>	<u>(26,808)</u>

A detail of changes in the accounts of deferred income tax assets for the semesters ended 31 December and 30 June 2024 follows (in bolivars):

	<b>Other assets</b>	<b>Accruals and other liabilities</b>	<b>Deferred income tax (liability) asset</b>
Balance at 31 December 2023	7,082,022	(20,624,499)	(13,542,477)
Charges (credits) in income	<u>(7,066,939)</u>	<u>20,582,608</u>	<u>13,515,669</u>
Balance at 30 June 2024	15,083	(41,891)	(26,808)
Charges (credits) in income	<u>7,948,463</u>	<u>(25,998,955)</u>	<u>(18,050,492)</u>
Balance at 31 December 2024	<u>7,963,546</u>	<u>(26,040,846)</u>	<u>(18,077,300)</u>

**(c) Transfer Pricing Regulations**

In accordance with the transfer pricing regulations, taxpayers subject to income tax who enter into transactions with related parties abroad are required to determine their income, costs and deductions by applying the methodology established in the abovementioned law.

At 31 December 2024, the Bank is in the process of updating the transfer pricing analysis conducted in 2023, in order to determine whether the operations between related parties were conducted at market value. However, the final results of such analysis are not expected to have an additional impact on the taxable income. At 31 December 2024, the Bank filed the informative declaration of transactions with related parties abroad, form PT-99, for the fiscal year ended 30 June 2024.

**(d) Tax on Economic Activities**

The Constitution of the Republic and the Organic Law of the Municipal Public Power appoint the Municipalities with the power to establish taxes on economic activities, which is levied on the gross income arising from any economic activity, industry, commerce, services of a similar nature, carried out on a regular or occasional basis in the jurisdiction of a given municipality, and which may be subject to a commercial establishment, premises, office or physical place and which purpose is profit.

The Bank recorded expenses for this concept for the semesters ended 31 December and 30 June 2024, for Bs94,232,387 and Bs78,034,773, respectively, which are presented in the general and administrative expenses element (see note 21), corresponding to the economic activities carried out in its offices throughout the national territory. At 31 December and 30 June 2024, the outstanding balance payable for this concept amounts to Bs186,280 and Bs5,690,356, respectively, which are part of accruals and other liabilities, and are included in the group of Tax on economic activities and other taxes payable (see note 17).

**(e) Law of Taxes on Large Financial Transactions**

On 30 December 2015, the tax on large financial transactions was established, which levies a 0.75% tax rate on financial transactions carried out by legal entities and economic entities without legal personality, qualified by the National Integrated Customs and Tax Administration Service (SENIAT) as special taxpayers, or by legal entities and economic entities without legal personality that are legally related to them, or that make payments on their behalf. Furthermore, banks and other financial institutions in the country are taxpayers of this tax for the generating events provided by law.

On 21 August 2018, a Constituent Decree was published in the Extraordinary Official Gazette of the Republic, which amends the Decree with Rank, Value and Force of Law on the Tax on Large Financial Transactions; such Constituent Decree establishes that the aliquot of this tax may be modified by the National Executive and may be set up to a limit of 2%. The National Government fixed the aliquot of this tax at 2% as of November 2018.

On 25 February 2022, the Law of Partial Reform of the Decree with Rank, Value and Force of Law on Tax on Large Financial Transactions was published, establishing a 3% tax on transactions in foreign currencies or cryptocurrencies other than the bolivar and the Petro, carried out by individuals and companies.

During the semesters ended 31 December and 30 June 2024, the Bank recorded expenses for this concept for Bs4,479,387 and Bs38,234,120, respectively, which is presented under the caption of general and administrative expenses (see note 21).

**(f) Net Worth Tax**

Official Gazette of the Republic N° 41.696 dated 16 August 2019, published the Official Ruling of 15 August 2019, which corrected due to a material error the Constitutional Law that creates the tax on large estates issued by the National Constituent Assembly and published in the Official Gazette of the Republic N° 41.667 on 3 July 2019, which establishes that special taxpayers, which net worth is equal or higher than 150,000,000 TU, are required to pay between 0.25% and 1.50% on the value of the net worth determined at 30 September each year. The payment of the tax must be made in the terms, forms and modalities established by the Tax Administration. This Constitutional Law became effective as from its publication in the Official Gazette.

During the semesters ended 31 December and 30 June 2024, the Bank recorded expenses for this concept for Bs1,573,000 and Bs13,900,000, respectively, in the consolidated statements of income and net income allocation.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(19) Other Operating Income**

A detail of other operating income follows (in bolivars):

	<b>Notes</b>	<b>Semesters ended</b>	
		<b>31 December 2024</b>	<b>30 June 2024</b>
Commissions from services		2,388,140,104	1,727,446,469
Income from investments in affiliates	10	99,632,512	133,720,920
Income from amortization of discount in held-to-maturity investments	7	23,323,525	20,893,101
Income from exchange difference	6	86,814,864	201,165,874
		<u>2,597,911,005</u>	<u>2,083,226,364</u>

A detail of commissions for services rendered follows (in bolivars):

	<b>Notes</b>	<b>Semesters ended</b>	
		<b>31 December 2024</b>	<b>30 June 2024</b>
Cash withdrawals in foreign currency	14	544,839,560	398,353,358
Documentation of credits granted in UVC	8	240,185,848	405,285,967
Point of sale transactions	13	372,556,204	207,305,319
Interbank mobile payment	13	259,984,102	132,823,493
Immediate credit transactions	13	316,308,634	199,803,028
Exchange intervention transactions	5	59,098,059	41,395,478
Commission for use of point of sale		69,118,843	56,257,020
Interbank electronic transactions	17	115,068,186	79,716,478
Exchange office transactions	13	111,703,381	36,139,505
Services provided to Social Security pension holders		8,934,055	6,763,439
Reimbursement of operating costs of point of sale terminals to commercial establishments	13	44,064,587	39,728,212
Transportation of securities		2,251,595	1,566,807
Suiche 7B P2P services		70,831,721	43,095,352
Phone credit recharge		11,747,049	9,655,373
Credit card commissions		85,062,889	23,172,633
Domiciliation services		4,147,729	4,351,350
Custody of securities		3,285,156	3,652,962
Affiliation of payroll account		6,694,723	3,959,219
Retail operations		5,619,044	10,769,453
Transactions with debit cards in USD		897,030	1,205,256
Minimum balances of customer's deposits		590,805	579,038
Trust funds		7,455,573	4,756,748
Other non-financial commissions		827,532	674,637
Others		46,867,800	16,436,344
		<u>2,388,140,104</u>	<u>1,727,446,469</u>

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(20) Other Operating Expenses and Miscellaneous Operating Expenses**

A detail of other operating expenses follows (in bolivars):

		Semesters ended	
		31 December 2024	30 June 2024
Commissions from services rendered		379,304,680	244,384,787
Loss from exchange difference	6	6,132,582	38,493,690
Expenses from investments in affiliates and subsidiaries	10	12,840,184	10,248,882
Loss from investment securities		2,504,651	2,492,528
		<u>400,782,097</u>	<u>295,619,887</u>

A detail of commissions for services follows (in bolivars):

		Semesters ended	
		31 December 2024	30 June 2024
Commissions to suppliers processing credit cards	7	144,884,233	93,540,665
Transactions with points of sale	17	94,393,896	78,898,671
Bank transfers by means of correspondent banks	14	17,709,850	13,299,941
Interbank mobile payment	17	109,497,482	50,578,170
Suiche 7B ATMs		3,882,196	2,373,296
Other expenses from service commissions		8,937,024	5,694,044
		<u>379,304,680</u>	<u>244,384,787</u>

A detail of miscellaneous operating expenses follows (in bolivars):

		Semesters ended	
		31 December 2024	30 June 2024
Bonuses		100,640,220	-
Contribution to Organic Law on Drugs		4,830,000	270,000
Contribution to Organic Law on Sports, Physical Activity and Physical Education		5,420,000	2,820,000
Contribution to the National Fund for Municipal Councils		13,993,618	21,414,936
Contribution to Organic Law on Science, Technology and Innovation		24,307,800	17,162,200
Provision for other assets	13	10,000,000	16,402,759
Provision for other services		6,695,952	2,084
Tasks related to ML/TF/FPWMD		-	3,950,630
Others		344,051	324,750
		<u>166,231,641</u>	<u>62,347,359</u>

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(21) Administrative and General Expenses**

A detail of administrative and general expenses follows (in bolivars):

		<b>Semesters ended</b>	
		<b>31 December</b>	<b>30 June</b>
	<b>Notes</b>	<b>2024</b>	<b>2024</b>
Maintenance and repairs of fixed assets		309,480,478	232,919,180
Expenses for transportation and communications		214,700,524	161,216,445
Advisory and external audit		263,697,087	250,508,401
Transportation of securities and overall surveillance		161,609,415	107,873,782
Tax on economic activities	18(d)	94,232,387	78,034,773
Expenses for leases		93,081,196	74,687,252
Expenses for external services		131,423,931	83,412,845
Advertisement and publicity expenses		87,432,263	41,491,769
Miscellaneous general expenses		60,526,646	20,405,867
Tax on large financial transactions	18(e)	4,479,387	38,234,120
Amortization of deferred expenses	13	35,196,905	36,359,836
Depreciation and downgrading of fixed assets	12	42,200,547	36,937,512
Water, electricity and gas services		23,170,124	20,336,924
Insurance expenses		36,350,846	26,880,664
Other taxes and contributions		35,694,407	19,458,357
Legal advisory		14,517,659	8,551,155
Stationery and office supplies		10,509,544	8,292,111
Others		5,414,854	2,165,193
Public Relations		10,275,951	1,691,808
Legal expenses		6,600,630	7,255,581
		<b>1,640,594,785</b>	<b>1,256,713,575</b>

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(22) Memorandum Accounts**

A detail of memorandum accounts follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
Debtor contingent accounts -			
Guarantees granted		438,654,598	438,824,838
Credit lines for credit cards		316,536,588	86,211,755
Credit lines for discounts and purchase of invoices		217	204
		<u>755,191,403</u>	<u>525,036,797</u>
Trust assets		<u>812,770,901</u>	<u>654,596,738</u>
Debtor accounts for other trustworthy assignments (Housing and Habitat Loan Regime)		<u>405,767</u>	<u>337,057</u>
Other debtor memorandum accounts -			
Guarantees received (including US\$22,207,058 and US\$17,413,634, respectively)	6	14,561,987,173	10,933,937,937
Custody received (including US\$51,691,927 and US\$51,786,696, respectively)	6	5,805,531,928	2,437,857,557
BOD Operation (including US\$10,879,200, for both semesters)	6	564,597,842	395,514,769
Securities under custody in other financial institutions		1,053,961,901	750,104,781
Non-negotiable credit lines pending granting		2,336,049,040	1,653,252,131
Bad debts written off		187,856,413	59,096,863
Collections in foreign currency (equivalent to US\$1,664,007, for both semesters)	6	86,356,970	60,495,140
Financial instruments written off (equivalent to US\$1,496,776 and US\$1,882,314, respectively)	6	77,678,164	68,431,704
Reconciling items written off		55,026,432	30,100,572
Returns receivable deferred on overdue loan portfolio	8	339,573	1,576,106
Foreign currency granted through SICAD (equivalent to US\$21,000 for both semesters)	6	1,089,837	763,457
Others (includes US\$12,500, for both semesters)	6	648,713	454,439
		<u>24,731,123,986</u>	<u>16,391,585,456</u>
		<u>26,299,492,057</u>	<u>17,571,556,048</u>

At 31 December and 30 June 2024, the custody of securities of other financial institutions are held in the custody of Euroclear Bank, Pershing LLC and Morgan Stanley Smith Barney.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

**(a) Trust fund Assets**

In August 2003, the Superintendency, through Resolution N° 202-03 dated 4 August 2003, published in Official Gazette of the Republic N° 37.748 dated 7 August 2003, authorized the Bank to operate as trustee.

According to the combined financial statements of the Bank's Trust, the trust accounts consist of the following balances (in bolivars):

	<b>31 December 2024</b>	<b>30 June 2024</b>
Assets -		
Cash and cash equivalents	30,296,140	16,440,234
Investment securities	165,358,421	107,358,527
Loan portfolio	233,039,132	147,328,482
Interests and commissions receivable	2,892,331	2,285,258
Other assets	381,184,877	381,184,237
Total assets	<u>812,770,901</u>	<u>654,596,738</u>
Liabilities -		
Other accounts payable	1,503,077	934,419
Other liabilities	15,800	15,816
Total liabilities	<u>1,518,877</u>	<u>950,235</u>
Trust fund equity -		
Equity appointed to trust funds	766,771,143	636,052,293
Adjustments to equity	6,711,474	2,385,771
Accrued income	37,769,407	15,208,439
Total stockholders' equity	<u>811,252,024</u>	<u>653,646,503</u>
Total liabilities and stockholders' equity	<u>812,770,901</u>	<u>654,596,738</u>

The Bank's Trust fund Assets accounts are comprised as follows (in bolivars):

	<b>31 December 2024</b>	<b>30 June 2024</b>
Trust equity -		
Guarantee	362,474,138	362,474,138
Labor indemnities	414,468,280	261,361,378
Management	33,294,225	29,020,825
Investment	1,015,381	790,162
	<u>811,252,024</u>	<u>653,646,503</u>

At 31 December and 30 June 2024, cash and cash equivalents include Bs30,296,140 and Bs16,440,234, respectively, include concentrating accounts of the Trust's liquid funds held at the Bank, which accrue interest at a rate of 6% for both semesters.

The Superintendency, through Notice SIB-II-GGR-GNP-03636 issued on 5 June 2023, established that the gain and/or loss of account group 700 Trusts and Trusteeships generated after the closing of June 2023, will be recorded in account 733.00 Adjustments to equity and, when such gain and/or loss is realized, as a result of the transactions carried out with the assets and/or liabilities that originated it or when the settlement of the trust fund to which it corresponds is formalized, it may be reclassified to account 731.00 Appointed equity of trusts.

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

### Investment Securities

Investment securities included in the Trust fund accounts, recorded at amortized cost, are comprised by the following items (in bolivars, except for maturities and the percentage of interest rates):

	Acquisition cost	Carrying amount/amortized cost (see note 13)	Fair market value	Nominal value	Maturities	Interest rates (%)
<b>31 December 2024 -</b>						
Investments in local financial institutions:						
Time deposits -						
Banco Exterior, C. A., Banco Universal	24,000,000	24,000,000	24,000,000	24,000,000	03-01-2025 to 17-01-2025	50,00 to 55,00
Bancaribe Casa de Bolsa, C. A.	23,900,000	23,900,000	23,900,000	23,900,000	03-01-2025 to 20-01-2025	45,00 to 50,00
Banco Caroní, C. A., Banco Universal	15,000,000	15,000,000	15,000,000	15,000,000	03-01-2025	55,00
	<u>62,900,000</u>	<u>62,900,000</u>	<u>62,900,000</u>	<u>62,900,000</u>		
Bonds and national public debt obligations -						
Vebonos	9	9	5	9	07-08-2025 to 30-11-2028	13,19 to 26,19
Other investment securities -						
Banco Occidental de Descuento, Banco Universal, C. A.	6	6	-	6	-	-
Obligations issued by non-financial private companies -						
Genia Care, C. A.	7,468,030	7,468,030	7,468,030	7,468,030	27-02-2025 to 19-06-2025	13,00 to 13,50
Mercantil Servicios Financieros, C. A.	3,113,820	3,113,820	3,113,820	3,113,820	25-03-2025	12,00
Procesadora Marsoca, C. A.	15,569,100	15,569,100	15,569,100	15,569,100	06-02-2025 to 25-07-2025	13,00
Productos Químicos L.M.V., C. A.	6,500,000	6,500,000	6,500,000	6,500,000	24-03-2025	45,00
Steritex, C. A.	18,400,000	18,400,000	18,400,000	18,400,000	25-02-2025	30,00
Alimentos Botalón, C. A.	2,594,850	2,594,850	2,594,850	2,594,850	09-05-2025	12,00
Forum Super Mayorista, C. A.	20,758,800	20,758,800	20,758,800	20,758,800	23-01-2025	13,00
Dayco Telecom, C. A.	11,988,207	11,988,207	11,988,207	11,988,207	09-03-2025 to 18-04-2025	13,00
Alice Neumaticos de Venezuela, C. A.	9,341,460	9,341,460	9,341,460	9,341,460	30-04-2025 to 12-06-2025	13,00
Grupo Nueve Once, C. A.	5,293,494	5,293,494	5,293,494	5,293,494	15-02-2025 to 27-02-2025	13,00
Purolomo, C. A.	1,430,645	1,430,645	1,430,645	1,430,645	21-02-2025	12,00
	<u>102,458,406</u>	<u>102,458,406</u>	<u>102,458,406</u>	<u>102,458,406</u>		
	<u>165,358,421</u>	<u>165,358,421</u>	<u>165,358,411</u>	<u>165,358,421</u>		
<b>30 June 2024 -</b>						
Investments in local financial institutions:						
Time deposits -						
Banco Exterior, C. A., Banco Universal	40,000,000	40,000,000	40,000,000	40,000,000	01-07-2024 to 26-07-2024	25,00 to 30,00
Banco Caroní, C. A., Banco Universal	33,200,000	33,200,000	33,200,000	33,200,000	11-07-2024 to 26-07-2024	25,00
	<u>73,200,000</u>	<u>73,200,000</u>	<u>73,200,000</u>	<u>73,200,000</u>		
Bonds and national public debt obligations -						
Vebonos	14	14	9	14	07-08-2025 to 30-11-2028	13,19 to 23,19
Other investment securities -						
Banco Occidental de Descuento, Banco Universal, C. A.	19	19	-	19	-	-
Obligations issued by non-financial private companies -						
Genia Care, C. A.	2,908,408	2,908,408	2,908,408	2,908,408	11-12-2024	13,00
Mercantil Servicios Financieros, C. A.	5,634,000	5,634,000	5,634,000	5,634,000	20-07-2024 to 10-08-2024	43,00 to 55,00
Procesadora Marsoca, C. A.	9,088,776	9,088,776	9,088,776	9,088,776	05-09-2024 to 02-10-2024	13,00
Productos Químicos L.M.V., C. A.	6,500,000	6,500,000	6,500,000	6,500,000	22-10-2024	45,00
Steritex, C. A.	6,391,800	6,391,800	6,391,800	6,391,800	09-08-2024	55,00
Alimentos Botalón, C. A.	1,817,755	1,817,755	1,817,755	1,817,755	15-11-2024	12,00
Agropecuaria San Marino, C. A.	1,817,755	1,817,755	1,817,755	1,817,755	05-09-2024	14,00
	<u>34,158,494</u>	<u>34,158,494</u>	<u>34,158,494</u>	<u>34,158,494</u>		
	<u>107,358,527</u>	<u>107,358,527</u>	<u>107,358,503</u>	<u>107,358,527</u>		

The Trust had no permanent downgrading in investment securities at 31 December and 30 June 2024.

**BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH**

Notes to the Consolidated Financial Statements

31 December and 30 June 2024

Investment securities are in custody according to the details that follow:

<b>Investment security</b>	<b>Custodian</b>
Investments in local financial institutions	Banco Central de Venezuela C.V.V. Caja Venezolana de Valores, S.A. Banco Exterior, C.A., Banco Universal Bancaribe Casa de Bolsa, C.A. Banco Caroni, C.A. Banco Universal Banco Nacional de Crédito, C.A., Banco Universal

A detail of investment securities pursuant to their maturities follows (in bolivars):

	<b>31 December 2024</b>		<b>30 June 2024</b>	
	<b>Carrying value/amortized cost</b>	<b>Fair market value</b>	<b>Carrying value/amortized cost</b>	<b>Fair market value</b>
Up to six months	165,358,406	165,358,406	107,358,494	107,358,494
From one to five years	9	5	14	9
From five to ten years	-	-	-	-
Over ten years	6	-	19	-
	<u>165,358,421</u>	<u>165,358,411</u>	<u>107,358,527</u>	<u>107,358,503</u>

During the semesters ended 31 December and 30 June 2024, the trust fund purchased investments for Bs37,341,867 and Bs41,538,788, respectively.

Details of income from investment securities follow (in bolivars):

	<b>Semesters ended</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
Income from obligations issued by non-financial private companies	7,270,279	7,519,985
Income from time deposits	8,805,559	10,462,181
Income from public national debt bonds and obligations	1	1
	<u>16,075,839</u>	<u>17,982,167</u>

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

Investments securities are concentrated in the issuers as follows (in bolivars):

	%	Time deposits	Public national debt bonds and obligations	Other investment securities	Obligations issued by non-financial private companies	Total
<b>31 December 2024 -</b>						
Banco Exterior, C. A., Banco Universal	14.51%	24,000,000	-	-	-	24,000,000
Bancaribe Casa de Bolsa, C.A.	14.45%	23,900,000	-	-	-	23,900,000
Banco Caroni, C.A. Banco Universal	9.07%	15,000,000	-	-	-	15,000,000
Bolivarian Republic of Venezuela	0.00%	-	9	-	-	9
Banco Occidental de Descuento						
Banco Universal, C. A.,	0.00%	-	-	6	-	6
Genia Care, C.A.	4.52%	-	-	-	7,468,030	7,468,030
Mercantil Servicios Financieros, C.A.	1.88%	-	-	-	3,113,820	3,113,820
Procesadora Marsoca, C.A.	9.42%	-	-	-	15,569,100	15,569,100
Productos Químicos L.M.V., C.A.	3.93%	-	-	-	6,500,000	6,500,000
Steritex, C. A.	11.13%	-	-	-	18,400,000	18,400,000
Alimentos Botalón, C.A.	1.57%	-	-	-	2,594,850	2,594,850
Forum Super Mayorista, C.A.	12.55%	-	-	-	20,758,800	20,758,800
Dayco Telecom, C.A.	7.25%	-	-	-	11,988,207	11,988,207
Alice Neumaticos de Venezuela, C.A.	5.65%	-	-	-	9,341,460	9,341,460
Grupo Nueve Once, C.A.	3.20%	-	-	-	5,293,494	5,293,494
Purolomo, C.A.	0.87%	-	-	-	1,430,645	1,430,645
	<b>100.00%</b>	<b>62,900,000</b>	<b>9</b>	<b>6</b>	<b>102,458,406</b>	<b>165,358,421</b>
<b>30 June 2024 -</b>						
Banco Exterior, C. A., Banco Universal	37.26%	40,000,000	-	-	-	40,000,000
Banco Caroni, C. A., Banco Universal	30.92%	33,200,000	-	-	-	33,200,000
Bolivarian Republic of Venezuela	0.00%	-	14	-	-	14
Banco Occidental de Descuento						
Banco Universal, C. A.,	0.00%	-	-	19	-	19
Genia Care, C.A.	2.71%	-	-	-	2,908,408	2,908,408
Mercantil Servicios Financieros, C. A.	5.25%	-	-	-	5,634,000	5,634,000
Procesadora Marsoca, C. A.	8.47%	-	-	-	9,088,776	9,088,776
Productos Químicos L.M.V., C. A.	6.05%	-	-	-	6,500,000	6,500,000
Steritex, C. A.	5.95%	-	-	-	6,391,800	6,391,800
Alimentos Botalón, C. A.	1.69%	-	-	-	1,817,755	1,817,755
Agropecuaria San Marino, C. A.	1.69%	-	-	-	1,817,755	1,817,755
	<b>100.00%</b>	<b>73,200,000</b>	<b>14</b>	<b>19</b>	<b>34,158,494</b>	<b>107,358,527</b>

At 31 December and 30 June 2024, the loan portfolio includes loans and advances of social benefits to Bank employees for Bs4,627,651 and Bs3,321,254, respectively. Furthermore, it includes Bs203,212,409 and Bs129,310,222, respectively, corresponding to loans and advances of social benefits from private entities; and Bs25,199,072 and Bs14,697,006, respectively, from public entities.

At 31 December and 30 June 2024, there are labor indemnity trusts in favor of the Bank's employees for Bs14,200,904 and Bs10,809,150, respectively.

On 22 May 2013, Official Gazette of the Republic N° 40.172 published Administrative Ruling N° 0010, dated 21 May 2013, issued by the National Treasury Office, called "Administrative Ruling that regulates the return to the Treasury of the amounts credited in the trusts constituted by the Republic and its decentralized entities that are immobilized for more than four months", which establishes that the Republic's organs and entities which have constituted trusts with budgetary resources in public or private banks, without having made disbursements or payments related to their purpose for periods equal to or longer than four months, with the exception of labor trusts, must pay both the trust capital and the dividends generated to the accounts of the National Treasury. At 31 December and 30 June 2024, the trusts constituted by the Republic, or its decentralized entities correspond mainly to labor indemnity and administration trusts, which have been mobilized during the last four months in accordance with the provisions contained in such Ruling.

**(b) Debtor accounts for other trust commissions (Housing and Habitat Benefits Regime) and Saving Funds for Housing**

A detail of debtor accounts for other trust commissions (Housing and Habitat Benefits Regime) and Saving Funds for Housing follows (in bolivars):

	Note	31 December 2024	30 June 2024
Assets -			
Cash and cash equivalents	14	6,343	68,005
Investment securities		399,424	269,052
Total assets		405,767	337,057
Liabilities -			
Contributions for saving funds for housing		405,767	337,057
Total liabilities		405,767	337,057

Housing programs, direct demand subsidies, eligibility system, Guarantee Fund and Rescue Fund are subject to the Housing and Habitat Benefit System Law. These programs are aimed primarily at families that apply for housing assistance with the resources of the Mutual Housing Fund. The financial institutions authorized as financial operators by the *Banco Nacional de Vivienda y Habitat* (BANAVIH) receive the deposits of the monthly contributions of the employers, employees and employees of the private and public sector, and deposit such amounts in the single account of the *Fondo Mutual Habitacional*, in the name of each employee. These funds will be used for short and long-term loans for the construction, acquisition and remodeling of primary residence.

At 31 December and 30 June 2024, the investment trust is maintained in the BANAVIH for Bs399,424 and Bs269,052, respectively, as a result of the deposits of the Housing and Habitat Benefit System Law collected and transferred by the Bank which, in accordance with the Accounting Manual, are presented as investment securities.

The Law of the Housing and Habitat Benefit System establishes that the amount of the monthly payment installments of the loans granted will be between 5% and 20% of the family's monthly income. It also provides that the loans will accrue a social interest rate established by the People's Power Ministry for Housing and Habitat.

**(23) Equity Accounts and Reserves****(a) Capital Stock and Authorized Capital**

At 31 December and 30 June 2024, the Bank's paid-in capital stock is Bs128,959,650, for both semesters, represented by 128,959,650,000 common, nominative, non-convertible bearer shares, of the same class, with a par value of Bs0.001 each, fully subscribed and paid [see note 30(e)].

At Ordinary General Stockholders' Meeting held on 21 September 2022, a dividend distribution of Bs15,838,600 was approved, to be paid entirely in shares, through the issue of 15,838,600,000 shares with a par value of Bs0.001, charged to the Surplus to be applied account. The Superintendency, through Ruling SIB-II-GGR-GA-09300 dated 15 December 2022, after a favorable pronouncement by OSFIN according to Official Letter F-30 dated 14 December 2022, authorized the Bank to increase its share capital by the abovementioned amount.

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At the General Ordinary Stockholders' Meeting held on 22 March 2023, a dividend distribution of Bs113,121,050 was approved, to be paid in 40%, through the issue of 45,248,420,000 shares with a par value of Bs0.001 and 60% equivalent to Bs67,872,630 payable in cash, with a charge to the account of Surplus to be applied. The Superintendency, through Ruling SIB-II-GGR-GA-07357 dated 8 November 2024, after a favorable ruling by OSFIN according to Official Letter F-054 dated 7 November 2024, authorized the Bank to increase its share capital by the abovementioned amount.

At the Extraordinary General Stockholders' Meeting held on 22 March 2023, the Stockholders approved the Equity Restructuring and Capitalization Plan, the capital increase and the increase in the nominal value per share by Bs1, and consequently, the amendment of Article 4 of the Bank's Bylaws. The Superintendency, through Ruling SIB-II-GGIBPV-GIBPV4-08599 dated 10 December 2024, authorizes the execution of the abovementioned Plan.

The Superintendency, in Ruling SIB-II-GGIBPV-GIBPV4-04666 dated 19 July 2023, based on the provisions of Notice SIB-II-GGR-GNP-03636, authorizes the Bank to offset the accumulated loss of Bs1,180,805 against the Adjustments to Stockholders' Equity account. The Superintendency, in Official Letter SIB-II-GGIBPV-08607 dated 28 December 2023, indicates that, once the accounting vouchers have been reviewed, as well as the figures reflected in the accounting AT03, transmitted through the Integral Financial Information System (SIF), it authorizes the replacement of the loss.

At the General Ordinary Stockholders' Meeting held on 20 September 2023, a dividend distribution of Bs386,878,950 was approved, to be paid 40% through the issue of 154,751,580,000 shares with a par value of Bs0.001 and 60% equivalent to Bs232,127,370 payable in cash, with a charge to the account of Surplus to be applied. The Bank is awaiting approval from the Superintendency for the registration of the capital increase.

At the General Ordinary Stockholders' Meeting held on 20 March 2024, a dividend distribution of Bs128,959,650 was approved, to be paid 40% through the issuance of 51,583,860,000 shares with a par value of Bs0.001 and 60% equivalent to Bs77,375,790 payable in cash, with a charge to the account of Surplus to be applied. The Bank is awaiting approval from the Superintendency for the registration of the capital increase corresponding to the 40% decreed through the issuance of shares.

At Ordinary General Stockholders' Meeting held on 18 September 2024, a dividend distribution of Bs51,583,860 was approved, to be paid entirely in shares through the issue of 51,583,860,000 shares with a par value of Bs0.001. At 31 December 2024, the Bank is awaiting approval by the Superintendency for the registration of the capital increase.

The Superintendency, through Ruling SIB-II-GGR-GA-09129 dated 27 December 2024, authorized the amendment of Article 4 of the Bylaws of Banco Nacional de Crédito, C.A., Banco Universal, as a result of the increase in the par value of the share to Bs1 each, in accordance with the provisions approved at the Extraordinary General Stockholders' Meeting held on 22 March 2023.

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The share certificates subscribed by the stockholders are identified as non-convertible nominative common bearer shares distributed as follows:

	31 December 2024		30 June 2024	
	Number of shares	Share (%)	Number of shares	Share (%)
Stockholders-				
Nogueroles García, Jorge Luis	13,958,729,600	10.82	13,958,729,600	10.82
Sociedad Financiera Intercontinental, Ltd.	12,630,643,600	9.79	11,341,047,100	8.79
Valores Torre Casa, C.A.	9,885,635,000	7.67	9,885,635,000	7.67
Halabi Harb, Anuar	8,529,759,100	6.61	8,529,759,100	6.61
Alintio International, S.L.	6,449,227,930	5.00	6,449,227,930	5.00
Pivca Promotora de Inversiones y Valores, C.A.	5,615,682,800	4.35	7,225,399,500	5.60
Curbelo Pérez, Juan Ramón	5,091,895,010	3.95	5,091,895,010	3.95
Starlight Investments, S.L.	5,063,484,845	3.93	5,063,484,845	3.93
Inversiones Clatal, C.A.	3,964,626,210	3.07	3,964,626,210	3.07
Corporación Friport, C.A.	3,592,702,743	2.79	3,592,702,743	2.79
Osio Montiel, Carmen Inés	3,328,679,480	2.58	3,328,679,480	2.58
Benacerraf Herrera, Mercedes Cecilia	2,784,468,000	2.16	1,092,144,000	0.85
Kozma Solymosy, Nicolás A.	2,762,433,250	2.14	2,762,433,250	2.14
Arocha Moreno, Gregorio José	2,579,193,000	2.00	2,579,193,000	2.00
Pembrokepines Investments LLC				
Venezuelan Branch	2,541,732,046	1.97	2,541,732,046	1.97
García Arroyo, Sagrario	2,397,886,000	1.86	2,397,886,000	1.86
Inversiones Tosuman, C.A.	2,346,801,810	1.82	2,346,801,810	1.82
Tamayo Degwitz, Carlos Enrique	2,310,475,200	1.79	2,326,342,600	1.81
Somoza Mosquera, David	2,278,118,165	1.77	2,278,118,165	1.77
Fernandez Rangel, Ely Jose	1,934,395,000	1.50	1,934,395,000	1.50
Consortio Toyomarca, S.A.	1,919,428,623	1.49	1,919,428,623	1.49
Da Silva Frade, Silverio Junior	1,712,639,140	1.33	1,712,639,140	1.33
Kozma Ingenuo, Alejandro Nicola	1,632,999,220	1.27	1,632,999,220	1.27
Kozma Ingenuo, Carolina María	1,632,999,220	1.27	1,632,999,220	1.27
Chaar Chaar, Mouada	1,466,882,850	1.14	1,466,882,850	1.14
Fospuca Baruta, C.A.	1,289,596,500	1.00	1,289,596,500	1.00
Valores Agropecuarios La Florida, C.A.	1,195,267,855	0.93	1,195,267,855	0.93
Zasuma Inversiones, C.A.	1,112,284,430	0.86	1,112,284,430	0.86
Mota Sanchez y Cia, S.A.	908,633,013	0.70	908,633,013	0.70
Corporación 5M, C.A.	895,551,600	0.69		
Tracto Agro Valencia, C.A.	819,294,000	0.64	1,184,154,000	0.92
Nogueroles Benacerraf, Rodrigo José	-	-	846,281,000	0.66
Others	14,327,504,760	11.11	15,368,251,760	11.90
	128,959,650,000	100.00	128,959,650,000	100.00

### **Standards regarding the minimum capital stock for the incorporation and operation of banking institutions**

Official Gazette of the Republic N° 42.664 dated 4 July 2023, published Resolution N° 029.23 of the Superintendency, whereby the institutions of the banking sector require, for their incorporation and operation, a minimum capital, subscribed and paid in full in cash, not less than 3% of the total assets reported in the financial statements corresponding to the closing of the fiscal year ended 31 December of the immediately preceding year for institutions in the private banking sector; and 1.5% for institutions in the public banking sector. The institutions of the banking sector must adjust their capital stock on an annual basis during the first six months of each year, maintaining the abovementioned percentages as the minimum. Said increases in capital stock shall require the authorization of the Superintendency, prior binding opinion of the OSFIN. Bank institutions shall conduct the adjustments required by means of:

- Cash contributions with stockholders' own resources, which may not be less than 60% of the amount to be increased.
- Capitalization of accumulated results up to 40% of the amount to be increased.

Subsequently, this capital stock must be adjusted annually during the first six months of each year, based on the total assets reflected in the financial statements for the six-month period ended 31 December of the immediately preceding year.

At 31 December and 30 June 2024, the Bank does not maintain the minimum capital requirement in accordance with this provision. The required capital increases were approved at Ordinary Stockholders' Meetings and the corresponding authorization requests were submitted to the Superintendency for consideration and are awaiting a response from the latter.

**(b) Capital Reserves**

*Legal Reserve*

The Bank, pursuant to the provisions established in its bylaws and the Law on Institutions for the Banking Sector, records a bi-yearly contribution of 20% of its bi-yearly net income for legal reserve until that reserve reaches 50% of the capital stock. Once the legal reserve has reached such limit, the Bank will record, as a provision for legal reserve, 10% of its bi-yearly net income until it reaches 100% of the capital stock. At 31 December and 30 June 2024, capital reserves include Bs128,959,650, for both semesters, corresponding to legal reserve.

**Social Funds for Contingencies**

The Banking Sector Law establishes in its Article 45, that banking institutions shall constitute a Social Fund for Contingencies through a cash transfer to a trust fund in another banking institution (see note 8), equivalent to 10% of the capital stock, ensuring the payment of the labor debts of employees in the event of an administrative liquidation of the Bank. Such percentage shall be constituted with biyearly contributions of 0.5% of the capital stock until reaching the required 10%. On 14 December 2011, through Resolution N° 305.11, published in Official Gazette N° 39.820 from that same date, the Superintendency issued the "Regulations Regarding the National Fund for Contingencies" regulating the aspects related to the creation, fiduciary selection and accounting of the abovementioned Fund.

On 23 March 2012, the Bank created the Fund by opening an investment trust in Banco Exterior, C.A., Banco Universal, in accordance with Resolution No. 305-11. The Bank made the corresponding accounting records by debiting investments in restricted securities (see note 7) and crediting cash held at the BCV.

At 31 December and 30 June 2024, the capital reserves account includes Bs2,724,455 and Bs2,079,656, respectively, corresponding to the Social Contingency Fund.

**(c) Adjustments to Stockholders' Equity**

*Income or losses from exchange rate variations on holding assets and liabilities in foreign currency*

On 5 June 2023, the Superintendency, through Notice N° SIB-II-GGR-GNP-03578 establishes the rules related to the application of the net profits originated by the effect of the valuation of assets and liabilities at the free convertibility exchange rate fixed by Exchange Agreement N° 1 of 21 August 2018, the criteria and guidelines should be applied considering:

- Income or losses arising from holding assets and liabilities in foreign currency should be recorded in account 352.00 "Income or losses from exchange rate variations from holding assets and liabilities in foreign currency."

- The net credit balance reflected in account 352.00 "Income or losses from exchange rate variations from holding assets and liabilities in foreign currency" at 31 December and 30 June 2024, as well as that corresponding to the following half-yearly closings, must be applied in the following order of priority, upon request and authorization to the Superintendency:
  - Write off operational losses or deficits.
  - Constitution or coverage of deficit balances in provisions for asset contingencies, adjustments or losses determined by the Superintendency.
  - Constitution or coverage of deficit balances in provisions for contingencies, adjustments or losses, directly related to assets denominated in foreign currency that generate such effect.

When the banking institution, by virtue of its financial situation, does not merit applying the balance recorded in the abovementioned account to the items mentioned above or, in any case, if once the items have been applied there are surplus amounts, the Superintendency, upon request and evaluation, may authorize their allocation to the results of the fiscal year. Once its allocation has been authorized, it must set aside 50% of the results to the restricted surplus, in accordance with Resolution N° 329.99 dated 28 December 1999, published in Official Gazette N° 36.859 dated 29 December 1999.

The balance maintained in account 352.00 "Income or losses on foreign exchange variations from holding assets and liabilities in foreign currency" must be considered to determine the primary equity (level I), which is used in the calculation of the Total Equity Adequacy Ratio.

*Variation of credits of the single productive and commercial portfolio determined as established by the BCV*

On 18 May 2020 and 20 December 2019, the Superintendency, by means of Resolutions N° 027.07 and 070.19, respectively, establishes the standards related to the allocation and recording of the net profits generated by the increases or decreases resulting from the variation of the capital of the loans of the single productive and commercial portfolio framed in Resolutions N° 20-02-01 and 19-09-01-01, respectively, of the BCV dated 2 February 2020 and 5 September 2019, respectively, which establishes that the balance recorded in account 358.00 "Variation of credits of the single productive and commercial portfolio determined as established by the BCV", must only be applied for the constitution of generic and counter-cyclical provisions generated from the portions corresponding to the variation of the credit capital.

When the banking institution, by virtue of its financial situation, does not need to apply the balance recorded in the aforementioned account or if once said items have been applied, there are surplus amounts that show amounts actually collected, they may record them in the results of the year, provided that the portion of capital resulting from the variation of the investment rate has been previously recorded in said account. Additionally, the balance maintained in account 358.00 "Variation in loans of the single productive and commercial portfolio determined as established by the BCV", must be considered to determine the primary equity (level I), which is used in the calculation of the Total Equity Adequacy Ratio.

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A detail of changes in the equity adjustment account follows (in bolivars):

	Notes	Semesters ended	
		31 December 2024	30 June 2024
Balance at the beginning of the semester		3,753,469,396	3,678,219,978
Income from net exchange variation	6	1,374,280,114	451,509,796
Increase provided by the variation of capital loans granted through UVC	8	3,522,719,312	72,758,258
Allocation charged to income of the benefits yielded by increases in the variation of loans collected and granted through UVC	8	(1,002,265,878)	(449,018,636)
Reclassification of unrealized income in loan portfolio		68,126,516	-
Balance at semester-end		<u>7,716,329,460</u>	<u>3,753,469,396</u>

The Superintendency, through Rulings SIB-II-GGIBPV-GIBPV4-08433 and SIB-II-GGIBPV-GIBPV4-06001 dated 22 December 2023 and 17 September 2024, respectively, regarding the Special Inspection, indicated that it does not consider it appropriate to record income from payments of principal and interest made with funds from new credits settled by the Bank. The Bank, through a communication sent on 2 October 2024, indicated that it proceeded to carry out the review of the set of credits indicated again, determining that of the total of 15 clients who presented said case, 11 clients cancelled their obligations with their own resources and/or from asset sale operations. Considering the above, the Bank proceeded to make the corresponding adjustment to the remaining four clients for Bs68,126,516.

**(d) Accrued Income***Undistributed surplus*

The Superintendency, through Ruling SIB-II-GGIBPV-GIBPV2-07778, dated 30 March 2011, indicated to the Bank that the profits generated by the operations of the Branch abroad are considered non-distributable surplus.

*Restricted surplus*

At 31 December and 30 June 2024, restricted surplus amounts to Bs1,043,232,709 and Bs771,693,527, respectively.

On 3 February 2015, in Notice SIB-II-GGR-GNP-03660, the Superintendency established the parameters that banking institutions must consider for the application of the restricted surplus, constituted on the occasion of the equity section of 50% of the results of each semester and indicates that the restricted surplus may be applied or used according to the following order of priority:

- Increase in capital stock.
- Cover losses or deficits arising from operations carried out, maintained in the equity accounts.
- Constitution or coverage of deficit balances in provisions for asset contingencies, adjustments or losses determined by the Superintendency.
- Offset deferred expenses based on special plans approved by the Superintendency; additionally, costs and capital gains generated in mergers or transformations that were reflected in due course will be offset, as well as costs and capital gains generated in mergers or transformations that take place after the issue of this Notice, in accordance with the provisions of current legislation.

Banking institutions must request authorization from the Superintendency for the application of the restricted surplus within the abovementioned concepts. Those banking institutions that by virtue of their financial and equity situation do not merit applying the balance recorded as restricted surplus in the items indicated for its use or application, or in any case, if once applied in said items there are surplus amounts, the Superintendency, upon request, analysis and evaluation of each particular case, may authorize its reclassification to the account of Surplus to be Applied. The constitution of the equity reserve equivalent to 50% of the results of the respective semester and its recording in the Restricted Surplus account indicated in Resolution N° 329.99, issued by the Superintendency on 28 December 1999 and published in Official Gazette N° 36.859 dated 29 December 1999, is maintained.

On 28 June 2023, by means of Notice SIB-II-GGR-GNP-04201, the Superintendency established the parameters that banking institutions must consider for the application of the restricted surplus, constituted on the occasion of the 50% of the results of each semester, and indicates that the restricted surplus may only be applied or used to make capital stock increases, upon request for authorization and approval by the Superintendency.

**(e) Risk Capital Ratios**

The ratios required and maintained by the Bank, calculated based on its published consolidated financial statements, and in accordance with the instructions and regulations of the Superintendency, are indicated below:

	31 December 2024		30 June 2024	
	Required (%)	Maintained (%)	Required (%)	Maintained (%)
Equity/Assets and contingent weighted operations based on risks	12	41.98%	12	39.16%
Accounting equity/Total assets	9	29.70%	9	23.90%

The Superintendency, through Resolution N° 117.14 of 25 August 2014, established the deferral of the schedule set forth in Article 2 of Resolution N° 145.13 of 10 September 2013, regarding the accounting equity adequacy ratio of 10%, corresponding to 30 June 2015, until such time as the Superintendency so indicates, for which reason they must have a ratio of no less than 9%.

The Superintendency, through Notices SIB-II-GGR-GNP-10189 and SIB-II-GGR-GNP-12738 of 7 and 27 April 2016, respectively, granted banking institutions regulatory exception to determine the "Accounting equity adequacy index", which allows:

- Exclude from total assets the balance of the following items: bonds and debentures issued by the BCV, placements in the BCV, cash and due from banks of the banking institution in the BCV (including legal reserve).
- Include in the accounting equity the amount corresponding to the generic and counter-cyclical provision for the loan and micro-credit portfolio; and in the primary equity (level I), the amount corresponding to the generic and counter-cyclical provision.

**(f) Earnings per Share**

A detail of the liquidation earnings per share is as follows (in bolivars):

	Semesters ended	
	31 December 2024	30 June 2024
Circulating common shares	128,959,650,000	128,959,650,000
Liquidation earning per share	0.0042	0.0022

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**(24) Transactions and Balances with Related Entities**

A summary of transactions and balances maintained by the Bank with its related entity follows (in bolivars):

	<b>Notes</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
<b>Assets -</b>			
Cash and cash equivalents:			
Transvalor Orinoco, C.A. -			
Foreign notes and coins (including US\$252,491 and €1,239,253; and US\$18,816,939 and €1,282,978, respectively)		79,949,073	734,054,433
BNC International Banking Corporation -			
Banks and correspondents abroad (including US\$3,288,881 and US\$2,901,080, respectively)		170,683,045	105,469,058
Exchange Agreement N° 20 (including US\$2,549,748 and US\$3,818, respectively)	5	132,324,252	138,790
Investments in affiliates and subsidiaries -			
Consorcio Credicard, C.A.	10	510,387,409	353,164,365
Proyectos Conexus, C.A.	10	25,269,840	15,619,957
<b>Total assets</b>		<b>918,613,619</b>	<b>1,208,446,603</b>
<b>Liabilities -</b>			
Customer's deposits:			
BNC International Banking Corporation (equivalent to US\$7,020, for both semesters)		364,317	255,219
Latin American Holdings Inc, C.A, (including US\$149,975 and €150,000; and US\$489,286, respectively)		34,430,378	18,032,772
Servicios Latin Pagos 2021, C.A. (including US\$27,971 and US\$472,262, respectively)		5,362,220	26,913,818
Transvalor Orinoco, C.A. (including US\$270,787 and €10; and US\$40,648 and €10, respectively)		34,116,593	2,997,098
Other financing obtained in BNC			
International Banking Corporation -			
Non-interest bearing sight deposits (including US\$51,734 and US\$51,758, respectively)	15	2,684,826	2,427,006
<b>Total liabilities</b>		<b>76,958,334</b>	<b>50,625,913</b>

On 26 August 2022, the Bank entered into an agreement with Latin American Holdings INC. C.A. (LAH), for the rendering of professional services related to a) the negotiation and sale of real estate assets owned by the Bank, and b) corporate, financial and investment advisory services, as well as business management, analysis and assessment. The Bank has agreed to pay LAH, and LAH has accepted, a consideration equivalent to 5% of each of the real estate sales transactions carried out by LAH.

Furthermore, the parties may agree to pay LAH for corporate, financial and investment advisory services, as well as business management, analysis and assessment, the amount, quantity and terms of which shall be established by mutual agreement between the parties on the occasion of each operation, by means of private communication, without the need to subscribe an addendum to this agreement. This agreement shall be in force indefinitely; however, the parties may terminate the same upon prior notice.

In addition, during the six-month periods ended 31 December and 30 June 2024, the Bank has recorded expenses from these services for Bs65,579,512 and Bs38,780,549, respectively, included under administrative and general expenses in the consolidated statements of income and net income allocation.

On 30 November 2022, the Bank entered into an addendum to the framework agreement with Transvalor Orinoco, C.A., which contemplates the terms and conditions related to ATM services, transportation and custody of securities. This agreement is valid for one year, with automatic renewal, unless one of the parties states otherwise. As a consequence of this agreement, foreign notes and coins are in the custody of Transvalor Orinoco, C.A. Additionally, during the semesters ended 31 December and 30 June 2024, the Bank has recorded expenses for these services, transportation and custody of securities for Bs91,655,059 and Bs52,923,025, included in general and administrative expenses in the consolidated statements of income and net income allocation.

**(25) Contributions to the Social Protection Fund for Bank Deposits**

The Social Protection Fund for Bank Deposits is an autonomous institution with legal status and its own assets, whose main purpose is to guarantee the funds collected from the public in local currency by banking institutions, up to a maximum amount of Bs0,03, as well as to act as liquidator of these institutions and their related companies, in accordance with the provisions of the Law of Institutions of the Banking Sector.

During the semesters ended 31 December and 30 June 2024, the Bank recorded Bs54,183,510 and Bs39,646,963, respectively, in the consolidated statements of income and net income allocation, corresponding to the semiannual contribution equivalent to 0.75% of the total customers' deposits held at the closing of the immediately preceding semester, for both semesters, in accordance with the provisions of Article 121 of the Banking Sector Institutions Law.

**(26) Contributions to the Superintendency of Institutions of the Banking Sector**

The Law of Institutions of the Banking Sector establishes a special contribution that must be paid by Venezuelan banking institutions governed by said law, in support of the operations carried out by the Superintendency. Furthermore, the Superintendency informs through Official Notices SIB-II-GGR-GNP-2764 and SIB-II-GGR-GNP-15889 dated 14 March 2019 and 21 September 2018, that the Ministry of the People's Power for Economy and Finance, by means of items N° 001 and N° 052 on that same date, approved an authorization for the implementation of a calculation methodology different from the one stipulated in the aforementioned law.

At 31 December and 30 June 2024, the amount corresponding to the contribution paid in both semesters is based on 0.8 per thousand of the assets average of the two months prior to the two-month period when payment thereof must take place. During the semesters ended 31 December and 30 June 2024, the Bank recorded Bs69,377,009 and Bs64,831,760, respectively, in the consolidated statements of income and net income allocation.

**(27) Contingencies**

At 31 December and 30 June 2024, there are lawsuits on labor, civil, mercantile, criminal law and other nature claims against the Bank arising from the normal course of its operations. Management and its legal advisors consider that such lawsuits and claims are not entirely appropriate, and the allegations and legal appeals filed by the Bank will be favorably received; consequently, the resolution of these contingencies will not significantly affect the Bank's consolidated financial position or results of operations.

# BANCO NACIONAL DE CRÉDITO, C.A., BANCO UNIVERSAL AND FOREIGN BRANCH

## Notes to the Consolidated Financial Statements

31 December and 30 June 2024

### (28) Maturities of Assets and Liabilities

A detail of maturities of monetary assets and liabilities at 31 December 2024 follows (in bolivars):

	30 June 2025	31 December 2025	30 June 2026	31 December 2026	30 June 2027	31 December 2027 or beyond	Total
<b>Assets:</b>							
Cash and cash equivalents	14,982,282,356	-	-	-	-	-	14,982,282,356
Investment securities	5,171,486,137	40	-	27,624,773	9,592	371,731,138	5,570,851,680
Loan portfolio	6,999,942,303	4,923,889,168	2,312,383,630	-	-	-	14,236,215,101
Interests and commissions receivable	198,709,270	-	-	-	-	-	198,709,270
Other assets	5,927,318,496	-	-	-	-	-	5,927,318,496
	<u>33,279,738,562</u>	<u>4,923,889,208</u>	<u>2,312,383,630</u>	<u>27,624,773</u>	<u>9,592</u>	<u>371,731,138</u>	<u>40,915,376,903</u>
<b>Liabilities:</b>							
Customer's deposits	26,369,131,204	378,337,532	-	-	-	-	26,747,468,736
Other financing obtained	1,195,208,544	-	-	-	-	-	1,195,208,544
Interests and commissions payable	30,534,832	-	-	-	-	-	30,534,832
Accruals and other liabilities	4,282,116,029	-	-	-	-	-	4,282,116,029
	<u>31,876,990,609</u>	<u>378,337,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,255,328,141</u>

### (29) Fair Value of Financial Instruments

The estimated fair market value of the Bank's financial instruments, their carrying amounts, the main assumptions assumed, and the methodology used to estimate fair market values are presented below (in bolivars):

	31 December 2024		30 June 2024	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets -</b>				
Cash and cash equivalents	14,982,282,356	14,982,282,356	13,206,492,467	13,206,492,467
Investment securities	5,570,851,680	5,379,221,129	958,860,586	848,242,158
Loan portfolio	13,804,812,109	13,804,812,109	7,678,919,110	7,763,952,088
Interests and commissions receivable	198,709,270	198,709,270	51,871,034	51,871,034
Total assets	<u>34,556,655,415</u>	<u>34,365,024,864</u>	<u>21,896,143,197</u>	<u>21,870,557,747</u>
<b>Liabilities -</b>				
Customer's deposits	26,747,468,736	26,747,468,736	17,791,165,936	17,791,165,936
Other financing obtained	1,195,208,544	1,195,208,544	1,529,668,590	1,529,668,590
Interest and commissions payable	30,534,832	30,534,832	32,261,763	32,261,763
Total liabilities	<u>27,973,212,112</u>	<u>27,973,212,112</u>	<u>19,353,096,289</u>	<u>19,353,096,289</u>

The methods and assumptions used to estimate the fair values of on-balance sheet financial instruments are described in note 2(f), "Basis of presentation - Measurement of fair values of financial instruments."

### (30) Subsequent Events

#### (a) Exchange Rate Variation

In accordance with Exchange Agreement N°1 (see note 6), the exchange rates at 17 February 2025 are [Bs61.92 per US\$1, Bs65.04 per €1 and Bs0.0151 per COP1], which is higher than that existing at 31 December 2024. Consequently, the use of these exchange rates for the subsequent measurement of those assets and liabilities denominated in foreign currencies existing at that date, including those arising from 31 December 2024, causes an effect on the consolidated financial statements of the subsequent reporting period.

#### (b) Interest on Legal Reserve Deficit

The Superintendency, through Rulings SIB-II-GGIBPV-GIBPV4-00045 and SIB-II-GGIBPV-GIBPV4-00718 dated 2 January and 6 February 2025, respectively, authorized the Bank via exception to record as a deferred expense the interest generated in the months of December 2024 and January 2025, respectively (see note 5).

**(c) Legal Reserve**

On 7 February 2025, the Central Bank of Venezuela, through Ruling S/N, established the following:

- Deduct from the reserve requirements, at 10 February 2025, the amount equivalent to the deficit presented by banking institutions at the opening of this day.
- Set the annual base interest rate for the collection of the reserve deficit (TIBACDE), at an additional 40.8% to the rate established by the Central Bank of Venezuela in its ordinary discount, rediscount and advance operations, in accordance with the provisions of Resolution N° 22-01-01 dated 27 January 2022 of the BCV. Said rate will be increased in accordance with the assumptions indicated below: a) an additional 2%, if a reserve deficit is incurred with a periodicity of between three and seven times in a period of 30 continuous days, counted from the day the first default occurred; and, b) an additional 4%, if a reserve deficit is incurred with a periodicity greater than eight times in a period of 30 continuous days, counted from the day the first default occurred.
- Discounts on reserve requirements associated with foreign exchange intervention and hedging securities will not apply as of 10 February 2025.

**(d) Commission for Economic Advice**

On 9 January 2025, the Central Bank of Venezuela, through Official Letter VON-UNAMEF-001, interpreted that the charge associated with the Economic Advice service was massive, different from the maximum limits established in the single tariff published in the Official Gazette of the Bolivarian Republic of Venezuela N° 42.499 dated 7 November 2022.

In a communication sent on 31 January 2025, the Bank submitted to the Central Bank of Venezuela again the documentation referring to the service called Economic Advice, requesting authorization to maintain the collection of the respective Specialized Commission, taking into account that credits are financial products that are part of financial intermediation, and for this reason they can be considered massive; however, the commission will only be charged on Commercial Credit operations greater than 30 times the high value determined by this issuer. Although there is a high demand and diversity of clients, these characteristics being necessary to consider it a mass implementation product, the collection of this commission or fee is based on the need to compensate the Bank for the costs associated with carrying out activities aimed at offering a comprehensive and personalized service, which enhances the ability of its clients to make informed and responsible financial decisions (see note 8).

**(e) Increase in Capital Stock**

On 14 January 2025, the Bank made the accounting record for Bs128,959,650 in the capital stock account according to the approvals made by the Superintendency [see note 23(a)].

**(f) Statement of Conformity**

The Superintendency, through Ruling SIB-II-GGR-GNP-0459 dated 27 January 2025, once again deferred the presentation of the complementary information corresponding to the closing of the second half of 2024, related to the consolidated or combined financial statements, prepared on the basis of generally accepted accounting principles; as well as the individual audited financial statements for publication adjusted for inflation.