

REPORT OF THE INDEPENDENT AUDITOR  
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF  
NATIONAL BANK OF BELIZE LIMITED

We have audited the accompanying financial statements of National Bank of Belize Limited which comprise of the statement of financial position as at 31<sup>st</sup> August 2015 and the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*


The Bank's other assets are carried on the statement of financial position at \$685,212 as of 31<sup>st</sup> August 2015. The Bank's records indicate that accrued interest included in this balance is understated by an estimated amount of \$123,700. Accordingly, interest income therefore is also understated by an amount of \$123,700.

The Bank's customer deposits are carried in the statement of financial position at \$8,471,117 as of 31<sup>st</sup> August 2015. The Bank's records indicate that this balance has been overstated by an estimated \$239,200 for customer balances which could not be verified during the audit period. We were unable to obtain sufficient appropriate audit evidence to verify these balances. Consequently, we were unable to determine which balances require adjustments.

*Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above, the financial statements present fairly, in all material respects, the financial position of National Bank of Belize Limited as at 31<sup>st</sup> August 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of National Bank of Belize Limited as at 31<sup>st</sup> August 2015 and of its financial performance and cash flows for the year then ended in accordance with the Domestic Banks and Financial Institutions Act (2012) as specified in notes 1 and 2 of these financial statements.

  
Baker Tilly Hulse  
Chartered Accountant  
11<sup>th</sup> March 2016

Belize City,  
Belize, C.A.


NATIONAL BANK OF BELIZE LIMITED


STATEMENTS OF FINANCIAL POSITION  
31ST AUGUST 2015 AND 2014

All amounts expressed in Belize Dollars

	Notes	2015	2014 (restated)
<b>Assets:</b>			
Cash and cash equivalents	2, 3	9,352,139	2,434,960
Loans and advances	2, 4	28,877,254	14,930,261
Less: specific loan loss reserve	2, 4	(879,910)	(159,090)
Other assets	2, 5	685,212	92,408
Bank premises and equipment	2, 6	2,662,522	1,692,078
<b>Total assets</b>		<b>40,697,217</b>	<b>18,990,617</b>
<b>Liabilities:</b>			
Customer deposits	2, 7	8,471,117	-
Other liabilities	2, 8	738,671	373,544
<b>Total liabilities</b>		<b>9,209,788</b>	<b>373,544</b>
<b>NET ASSETS</b>		<b>31,487,429</b>	<b>18,617,073</b>
<b>Shareholders' equity (page 5):</b>			
Share capital	2	35,025,000	20,025,000
General loan loss reserve	2	269,624	147,712
Accumulated losses	2	(3,807,195)	(1,555,639)
<b>SHAREHOLDERS' EQUITY</b>		<b>31,487,429</b>	<b>18,617,073</b>

Approved on behalf of the Board

 Director



Director

Dated: 14 MARCH 2016

Auditor's report pages 1 to 3.

NATIONAL BANK OF BELIZE LIMITED

STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED 31ST AUGUST 2015 AND 2014

All amounts expressed in Belize Dollars

	Notes	2015	2014 (restated)
Interest income	2	1,376,873	284,930
Interest expense	2,9	(88,687)	-
<b>Net interest income</b>		<b>1,288,186</b>	<b>284,930</b>
Fee and commission income	2, 10	340,836	248,715
<b>OPERATING INCOME</b>		<b>1,629,022</b>	<b>533,645</b>
Provision for credit losses	2, 11	(720,819)	(159,090)
Personnel expense	2, 12	(1,526,620)	(874,910)
Other operating expenses	2, 13	(1,266,875)	(580,955)
<b>NET (LOSS) BEFORE TAXATION</b>		<b>(1,885,292)</b>	<b>(1,081,310)</b>
LESS: BUSINESS TAX	2, 14	(244,353)	(80,047)
<b>NET (LOSS) AFTER TAXATION</b>		<b>(2,129,645)</b>	<b>(1,161,357)</b>