

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

We have audited the accompanying financial statements of NATIONAL BANK OF BELIZE LIMITED which comprise the statement of financial position as at 31st August 2018 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NATIONAL BANK OF BELIZE LIMITED as at 31st August 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Unqualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of National Bank of Belize Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Responsibility of Management and the Directors for the Financial Statements

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

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

The Directors are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

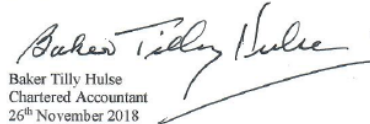
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Bank of Belize Limited as at 31st August 2018 and of its financial performance and cash flows for the year then ended in compliance with the Domestic Banks and Financial Institutions Act (2012) as specified in note 3 of these financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Mark C. Hulse.




 Baker Tilly Hulse
Chartered Accountant
26th November 2018

 Belize City,
Belize, C.A.

NATIONAL BANK OF BELIZE LIMITED
**STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2018**
All amounts expressed in Belize Dollars

	Notes	2018	2017
Assets:			
Cash and cash equivalents	3, 4	13,733,539	18,370,482
Loans and advances	3, 5	40,741,742	38,843,238
Less: specific loan loss reserve	3, 5	(3,335,975)	(3,855,649)
Other assets	3, 6	481,168	312,196
Bank premises and equipment	3, 7	1,655,895	2,324,388
Total assets		53,256,368	55,994,653
Liabilities:			
Customer deposits	3, 8	28,854,348	30,571,274
Other liabilities	3, 9	1,101,008	919,796
Severance payable	3, 10	68,440	48,673
Total liabilities		30,023,796	31,539,743
NET ASSETS		23,232,573	24,454,910
Shareholders' equity (page 6):			
Share capital	3	35,025,000	35,025,000
General loan loss reserve	3	346,222	316,770
Accumulated losses	3	(12,138,649)	(10,886,860)
SHAREHOLDERS' EQUITY		23,232,573	24,454,910

Approved on behalf of the Board

 Director

 Director

NATIONAL BANK OF BELIZE LIMITED
**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST AUGUST 2018**
All amounts expressed in Belize Dollars

	Notes	2018	2017
Interest income	3, 11	2,382,100	2,259,195
Interest expense	3, 12	(602,025)	(535,563)
Net interest income		1,780,075	1,723,632
Fees, commission and other income	3, 13	205,481	101,680
OPERATING INCOME		1,985,556	1,825,312
Provision for loan losses	3, 14	519,674	(191,677)
Personnel expense	3, 15	(1,698,198)	(1,753,190)
Other operating expenses	3, 16	(1,733,079)	(1,661,364)
NET (LOSS) BEFORE TAXATION		(926,047)	(1,780,919)
BUSINESS TAX	3, 17	(296,290)	(275,076)
NET (LOSS) AFTER TAXATION		(1,222,337)	(2,055,995)