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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.

The engagement partner on the audit resulting in this independent auditor's report is Reynaldo Magaña.

*Moore Belize LLP.*

Moore Belize LLP  
Chartered Accountants  
Belize City, Belize, C.A.  
10 January 2023

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF NATIONAL BANK OF BELIZE LIMITED

#### Report on the audit of the financial statements

##### Qualified opinion

We have audited the accompanying financial statements of National Bank of Belize Limited (the Bank), which comprise the statement of financial position as at 31 August 2022, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and explanatory notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 August 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

##### Basis for Qualified Opinion

The Bank is required to estimate expected credit losses (ECL) in accordance with IFRS 9. Based on audit of the Bank's expected credit loss model, we noted that it is not fully in compliance with the requirement of IFRS 9 and as a result, we are unable to determine whether any adjustments are required to be made to the ECL provisions made in the financial statements.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Bank within the meaning of 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 ethical responsibilities under 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 qualified opinion.

##### Emphasis of Matter Going Concern

The accompanying financial statements have been prepared assuming that the Bank will continue as a going concern. As at 31 August 2022, the bank's capital adequacy remains in good standing despite the prior year recurring losses from operations which in part were exacerbated by the COVID 19 Pandemic. Management's plan including its recommendation for containment and mitigating measures and the Central Bank of Belize's macro prudential instruments in response to the COVID 19 Pandemic, are discussed in Note 2.5. Our opinion is not modified in respect of this matter.

##### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

Those charged with governance 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 does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Management.

- 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 statements 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 statements, including the disclosures, and whether the financial statements represent 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 statements. We are responsible for the direction, supervision and performance of the audit of the Bank. We remain solely responsible for our audit opinion.

#### National Bank of Belize Limited

##### Statement of financial position

As at 31 August 2022

In Belize dollars

	Notes	2022	2021 restated
<b>Assets</b>			
Cash and cash equivalents	4b, 6	1,377,647	1,250,396
Balances with the Central Bank of Belize	4c, 7	21,749,035	17,334,846
Due from banks	4d, 8	5,368,925	4,464,168
Loans to customers	4a, 9	62,150,675	47,969,345
Securities	4a, 10	1,996,267	-
Other assets	4a, 11	876,630	913,405
Property and equipment	4g, 12	924,484	885,205
<b>Total assets</b>		<b>94,443,665</b>	<b>72,817,364</b>
<b>Liabilities</b>			
Customer accounts	4h, 13	80,240,287	53,117,498
Other liabilities	4a, 4i, 14	1,341,145	1,137,798
<b>Total liabilities</b>		<b>81,581,432</b>	<b>54,255,296</b>
<b>Equity</b>			
Share capital	4j, 15	35,025,000	35,025,000
Foreign currency translation reserve	4m	12,124	-
Accumulated loss		(22,174,892)	(16,462,931)
<b>Total equity</b>		<b>12,862,233</b>	<b>18,562,069</b>
<b>Total liabilities and equity</b>		<b>94,443,665</b>	<b>72,817,364</b>

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board and authorised for issue on 10 January 2023.

Signature of Director:   
Print Name: Thomas A. Tillet

Signature of Director:   
Print Name: Arsenio I. Burgos

NATIONAL BANK OF BELIZE LTD  
LAKE I BOULEVARD,  
ELEANOR HALL BUILDING  
BELIZE CITY, BELIZE

#### National Bank of Belize Limited

##### Statement of comprehensive income

For the year ended 31 August 2022

In Belize dollars

	Notes	2022	2021 restated
Interest income		3,608,264	3,346,504
Interest expense		(1,439,739)	(914,343)
<b>Net interest income</b>	4k, 16	<b>2,168,525</b>	<b>2,432,161</b>
Non-interest income	4k, 17	944,443	562,050
<b>Operating income</b>		<b>3,112,968</b>	<b>2,994,211</b>
(Charge) of loss allowance on loans to customers	4a, 9	(3,193,704)	(662,555)
Personnel expenses	4k, 18	(2,739,121)	(2,155,559)
Other operating expenses	4g, 4k, 19	(2,445,848)	(1,697,281)
<b>Net (loss) before tax</b>		<b>(5,265,705)</b>	<b>(1,521,184)</b>
Business tax	4n, 20	(434,131)	(449,142)
<b>Net (loss) after tax</b>		<b>(5,699,836)</b>	<b>(1,970,326)</b>
Other comprehensive loss		(12,124)	-
<b>Total comprehensive (loss) for the year</b>		<b>(5,711,960)</b>	<b>(1,970,326)</b>