

BRITISH CARIBBEAN BANK LIMITED

FINANCIAL STATEMENTS

March 31, 2021

Board of Directors

Sanford Lightbourne

Stewart Howard

Peter Gaze

Melquisedec Flores

Chairman

Managing Director

Director

Director

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Independent auditor's report

To the Board of Directors and Shareholders of British Caribbean Bank Limited

Report on the Financial Statements

We have audited the accompanying financial statements of British Caribbean Bank Limited which comprise the balance sheets as of 31 March 2021 and 2020, and the related statements of income, comprehensive income, shareholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether these 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of matter

Without qualifying our report, we draw attention to Note 20 to the financial statements which states that the extent of the impact of the ongoing coronavirus pandemic on the operations and financial position of British Caribbean Bank Limited in the future will depend on certain developments, including the duration and spread of the pandemic and the financial impact on its loan and investment portfolio, all of which are uncertain and cannot be predicted at this point.

Basis for qualified opinion

As more fully described in Note 5 to the financial statements, British Caribbean Bank Limited was required by the banking regulatory authority to book additional loan loss provisions of \$2.94 million in fiscal 2021 contrary, in our opinion, to accounting principles generally accepted in the United States of America.

Qualified opinion

In our opinion, except for the effects on the financial statements of over-providing for loan losses by \$2.94 million as mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of British Caribbean Bank Limited as of 31 March 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO Belize LLP
Belize City, Belize
24 June 2021

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Statements of Income and Comprehensive Income

In United States dollars

	Year ended March 31	Year ended March 31
	2021	2020
	(\$000's)	(\$000's)
Interest income (note 17)	4,503	5,404
Interest expense (note 18)	(237)	(342)
Net interest income	4,266	5,062
Allowance for loan losses (note 5)	(2,940)	-
Net income after provision for loan losses	1,326	5,062
Non-interest income	877	923
Non-interest expense (note 19)	(2,198)	(2,972)
Net income	5	3,013
Basic and diluted earnings per share (note 16)	\$ 0.00	\$ 0.23

The notes on page 6 to 17 form an integral part of these financial statements.

Balance Sheets

In United States dollars

	<u>March 31</u>	<u>March 31</u>
	2021	2020
	(\$000's)	(\$000's)
Assets		
Cash and due from banks (note 2)	231	198
Interest-bearing deposits	55,287	14,975
Investments (note 3)	12,341	49,062
Loans (net of unearned income) (note 4)	57,376	68,872
Less: allowance for loan losses (note 5)	(6,639)	(3,699)
Premises and equipment (note 6)	2,312	2,347
Assets held-for-sale (note 7)	791	-
Other assets (note 8)	695	1,309
Total assets	<u>122,394</u>	<u>133,064</u>
Liabilities and shareholders' equity		
Deposits:		
Demand deposits	21,430	18,347
Term deposits (note 9)	62,527	60,538
Total deposits	83,957	78,885
Accrued expenses and other liabilities	1,370	417
Total liabilities	<u>85,327</u>	<u>79,302</u>
Commitments and contingent liabilities (note 11)		
Shareholders' equity		
Common shares (note 10)	13,000	13,000
Additional paid-in capital	11,000	11,000
Statutory reserve	13,000	13,000
Retained earnings	67	16,762
Total shareholders' equity	<u>37,067</u>	<u>53,762</u>
Total liabilities and shareholders' equity	<u>122,394</u>	<u>133,064</u>

These financial statements were approved on behalf of the Board of Directors
on 30 June 2021 by the following:



Director



Director

The notes on pages 6 to 17 form an integral part of these financial statements.