WIHL

Waterloo Investment Holdings Limited

Consolidated Financial Statements

March 31, 2024

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Report of the CEO

Overview

The 2024 financial year marked a year of strategic growth, operational resilience, and selective divestments as the Group navigated a volatile economic landscape and reinforced the strength of our core revenue streams across the Turks and Caicos and Belize.

The Group generated revenue of $196 million, a growth of 14%, driven primarily by the continued expansion of the Financial Services and Hospitality Divisions. Operating income improved by 8.8%, reflecting heightened sales efforts, cost management and higher margins across key business lines. Consolidated net income was robust at $103.0 million, albeit lower than the previous year's $118.5 million, primarily due to non-recurring gains in FY 2023.

Our most significant achievement was the divestment of our Port Operations in Belize, in December 2023. This strategic move by the Group, significantly strengthened our cash position, including our U.S. currency reserves and enabled us to distribute funds to other strategic territories. Furthermore, it allowed us to resolve several ongoing litigations that would have otherwise consumed substantial Group resources and potentially taken years to settle. We have since been poised to reallocate resources towards our core businesses and to pursue high-value opportunities in our investment and hospitality sectors, further enhancing shareholder value.

Total assets increased to $2.11 billion, supported by growth in the Financial Services and Hospitality Divisions. The sale of the Port likewise strengthened the balance sheet based on the gain attributed to the sale. Shareholders' equity rose to $1.07 billion, from $940m in the prior year. The Group maintained a healthy liquidity position with cash and cash equivalents standing at $441.2 million as of March 31, 2024. Significant investments in the current year are expected to impact this, as we continue to strengthen our asset base, converting cash into higher-yielding profit-generating assets. Our liquidity position will however continue to be resilient.

Latin American Associate Division

The Latin American Associate Division faced challenges this year, primarily due to the decline in global palm oil prices. Comprehensive profit amounted to $35.4 million, representing a 23% decline compared to the prior year, despite management's strategies to effectively utilise forward contracts to mitigate losses. Increases in operating expenses and tax implications totaling an additional $15 million year-over-year, further compressed margins.

Palm oil prices have since stabilized as with current year projections. The abnormal, although favourable performance of 2022 and 2023 are now behind us, with 2024 prices being significantly better than the last decade of average prices. A new processing plant in Panama, nearing completion, is expected to enhance cost-efficiency and production reliability while demand remains strong, enabling a full distribution of production.

Financial Services Division

The Financial Services Division delivered a strong performance, with net interest income increasing by 17.5% to $56.4 million, up from $48.0 million in the 2023 financial year. This Division continues to be a cornerstone of the Group's financial success. Operational profit increased by 17.6% to $31.5 million, supported by improved credit portfolios and a favorable treasury market. All banking subsidiaries reported robust capital adequacy and liquidity ratios, ensuring a solid foundation for continued growth and risk management.

With increasing speculation surrounding the US Treasury Market in the coming year, we are proactively exploring alternative investment options to maximize spread and optimize returns. Focus is also being placed on expanding our lending activities in growth sectors within the Caricom region, which not only enhances interest income but also supports regional economic development.

Hospitality Division

The Hospitality Division had a strong year, achieving further revenue growth despite operational challenges such as staffing and temporary hotel closures for renovations. Total revenue increased by 19.5% to exceed $100 million, with profits rising by 39% to $17.1 million. Revenue growth was primarily driven by our leading resorts, Ambergris Cay in Turks and Caicos and The Alaia Autograph Collection in San Pedro, Belize, which continue to set industry benchmarks.

Multiple refurbishment and expansion projects were undertaken and continue to be executed across our properties, which are expected to drive further revenue and profitability in future years, whilst maintaining the properties' reputation in a growing market of new hotel inventory.

The Fort George Hotel was successfully de-flagged from the Radisson brand in February this year, marking a bold strategic move for the Group, as we transitioned it from an internationally recognized hotel label to a strong boutique brand. This rebranding was carefully timed to coincide with the partial completion of renovations to the hotel, and the impact has been remarkable, positioning The Fort George Hotel as the flagship property in Belize City. We remain committed to building this brand, with further investments to continue our modernization of the remainder of the hotel, including the development of an additional 64 ocean front suites and the renovation to the thirty Club Tower rooms, new restaurants and spa facilities and the addition of a worldclass conferencing centre. Targeted for completion by the first quarter of 2026, our outlook for The Fort George Hotel is encouraging.

Ambergris Cay experienced strong growth in RevPAR, further solidifying its reputation as a premier luxury destination. Significant capital expenditure was undertaken on the island, including the addition of new beachfront villas, the expansion of the spa facilities and upgrades to the dining spaces. As we advance the island's development, the demand for staff housing has naturally increased and in response, an additional housing facility was completed in financial year 2024, with another carded for completion in 2025. Ambergris Cay was once again awarded the 'Caribbean's Leading Private Island Resort' by World Travel Awards and for the seventh year in a row, it scored the 'Travelers' Choice Best of the Best' award by Trip Advisor. It has transitioned from a defunct asset to being the epitome of our hospitality portfolio, with ongoing investments solidifying its future status as one of the most exclusive destinations in the Caribbean.

During this upcoming year, Blue Haven Marina and Alexandra will also undergo significant improvements. The Blue Haven Marina office, restaurant and store are under construction and an application for an expansion of the floating docks are with the relevant governmental authorities. At the Alexandra, the resort has been closed for the autumn months to completely renovate the room interiors.

The hospitality market in our territories remains vibrant, with several new developments under construction, which may introduce competitive pressures but also indicate growing demand in the region. More specifically, it is expected that eighteen new hospitality projects in the Turks and Caicos will materialize over the next thirty-six months.

Investment Services Division

The Investment Services Division reported a loss of $5.4 million, compared to a $1.7 million loss in the previous year. In 2023, we sold off several investment properties that contributed to one-off gains on those sales. Similar properties were sold in 2024 but in smaller quantities. This was coupled with increases in operational and maintenance costs associated with running our private luxury island Ambergris Cay in Turks and Caicos.

Despite these challenges, we remain aggressive in our pursuit of key investment properties. The Division made several strategic investments, including the acquisition of key real estate assets at favorable terms, positioning it for potential future gains.

As the real estate market in Turks and Caicos continues to boom, the Group recently closed on the purchase of an additional 50 acres of land for the construction of a marina, hotel and residential development. A 58-acre site has also been acquired for the development of a 525 affordable housing project which we anticipate launching in 2026, once governmental approvals have been concluded.

The critically acclaimed Great Belize Productions was also acquired and has been transitioning to GB Media which will produce media content via news, online print, radio and video productions. Though not expected to be a material profit producer, we are excited about our involvement in this venture as it will pioneer many new services in Belize, not previously available.

Port Division

The divestment of the Port Division in December 2023 marked a significant strategic realignment for the Group. Operating profits of $2.7m were reported, prior to its sale to the Government of Belize for a total consideration of $83.37 million. This sale was a milestone transaction.

The transaction included $38 million in cash and Treasury notes worth $45.4 million. The Group recorded a $24.1 million gain on the sale. In addition to the sale, the negotiation allowed us to resolve several outstanding legal matters, secure tax refunds and tax concessions, and reinvest proceeds into our core businesses, enhancing our financial flexibility for future investments.

Corporate Division

The Corporate Division reported a net expense of $2.5 million for the year, a notable improvement from the $5.2 million loss reported in the previous year. This reduction in losses is primarily attributable to the recovery of a previously written-off $1.1 million advance, as well as increased interest income resulting from prudent treasury management and a strengthened liquidity position. Collectively, this helped to partially offset the Division's operating expenses.

At the same time, we continue to focus our efforts on streamlining our operations and enhancing the Group's operational efficiency.

Future Outlook

Looking ahead, the Group is well positioned to build on the solid foundation it has established and we are especially optimistic about the growth potential in our Financial Services and Hospitality Divisions.

We continue to explore opportunities for expansion and acquisitions within our core Divisions, focusing on areas with high growth potential and strategic importance. This will likely involve the addition of further debt and consequently, have paused any dividend payments.

Investments in technology, particularly in our banking and hospitality operations, will remain a priority as we seek to enhance customer experiences and operational efficiency.

While talks about a possible regional recession remain uncertain, our strengthened portfolio and strategic initiatives will help mitigate the associated risks and drive sustained profitability.

In conclusion, the 2024 financial year has been a year of transition and strategic alignment for our Group. We have successfully navigated challenges, divested non-core assets, and laid the groundwork for future growth. I am confident that the steps we have taken will yield significant benefits for our shareholders and stakeholders in the years to come.

Stewart Howard
Chief Executive Officer

To the Shareholders of Waterloo Investment Holdings Limited

Opinion

We have audited the consolidated financial statements of Waterloo Investment Holdings Limited and its subsidiaries (“the Group”) which comprise of the consolidated statement of financial position as of 31 March 2024, and the consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and a material accounting policy information and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics for Professional Accountants (IESBA Code), 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 audit opinion.

Key audit matters

There were no audit matters of significant concern identified in our audit of the Group.

Responsibility of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we:

(i) exercise professional judgement and maintain professional skepticism throughout the audit.

(ii) identify and assess the risks of material misstatement of the consolidated 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.

(iii) obtain an understanding of internal control relevant to the audit 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.

(iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(v) 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 entity's ability to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.

(vi) evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vii) obtain sufficient audit evidence regarding the financial information of all of the entities in the Group as the basis for expressing an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

Crowe Belize LLP
August 26, 2024

Consolidated Statement of Financial Position

At March 31	Notes	**2024 $m**	2023 $m
Assets			
Financial Services			
Cash, cash equivalents and due from banks	4	**96.7**	96.2
Balances with the Central Bank of Belize	5	**219.8**	253.6
Interest-bearing deposits with correspondent banks	4	**68.2**	46.4
Investments - net	6	**298.5**	213.5
Loans - net	7	**573.3**	504.1
Property, plant and equipment - net	8	**36.8**	24.4
Other assets	9	**23.6**	33.0
Total Financial Services assets		**1,316.9**	1,171.2
Latin American Associates			
Cost		**180.3**	186.3
Share of profit of the year		**46.3**	44.1
Reserve for audit adjustments		**(0.5)**	(0.5)
Total Latin American Associates assets	10	**226.1**	229.9
Investments			
Current assets		**4.5**	0.1
Loans - net	11	**49.1**	37.7
Other assets	12	**237.0**	219.6
Total Investments assets		**290.6**	257.4
Hospitality			
Cash, cash equivalents and due from banks		**25.7**	7.7
Current assets		**10.3**	11.7
Property, plant and equipment - net	13	**194.4**	174.6
Other assets		**11.7**	10.1
Total Hospitality assets		**242.1**	204.1
Corporate			
Cash, cash equivalents and due from banks		**30.8**	40.7
Current assets		**2.4**	7.3
Property, plant and equipment - net		**0.4**	0.2
Other assets		**0.3**	0.5
Total Corporate assets		**33.9**	48.7
Port Division			
Current assets		**-**	1.7
Property, plant and equipment - net		**-**	53.8
Other assets		**-**	1.7
Total Port Division assets	14	**-**	57.2
Total assets		**2,109.6**	1,968.5
Liabilities and shareholders' equity			
Financial Services			
Deposits	15	**958.7**	938.7
Current liabilities		**26.3**	17.0
Total Financial Services liabilities		**985.0**	955.7
Investments			
Current liabilities		**8.4**	3.6
Hospitality			
Current liabilities		**31.2**	25.6
Corporate			
Current liabilities	16	**(0.6)**	1.1
Long-term liabilities	17	**20.4**	40.4
Total Corporate liabilities		**19.8**	41.5
Port Division			
Current liabilities		**-**	2.0
Total liabilities		**1,044.4**	1,028.4
Shareholders' equity			
Share capital	18	**324.6**	324.7
Additional paid-in capital		**105.8**	105.8
Accumulated other comprehensive income/ (loss)	10	**1.6**	(10.80)
Revaluation reserve	19	**171.3**	161.50
Retained earnings		**461.9**	358.90
Total shareholders' equity		**1,065.2**	940.1
Total liabilities and shareholders' equity		**2,109.6**	1,968.5

See accompanying notes which are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

Year ended March 31	Notes	**2024 $m**	2023 $m
Financial Services			
Interest income	20	**65.9**	56.3
Interest expense	21	**(9.5)**	(8.3)
Net interest income		**56.4**	48.0
Allowance for loan losses		**(0.9)**	(1.1)
Non-interest income	22	**13.3**	13.7
Non-interest expense	23	**(37.3)**	(33.8)
Operating income - Financial Services		**31.5**	26.8
Operating income - Hospitality	24	**17.1**	12.3
Operating loss - Investments	25	**(5.4)**	(1.7)
Operating income - Port	26	**2.7**	4.8
Total operating income		**45.9**	42.2
Latin American Associates income	10	**35.4**	46.0
Corporate expenses		**(2.4)**	(5.2)
Net income before extraordinary item		**78.9**	83.0
Extraordinary item			
Non-recurring income	27	**24.1**	35.5
Net income		**103.0**	118.5
Other comprehensive income/(loss) income			
Translation adjustment reported by Associates	10	**10.9**	(1.2)
Other		**1.5**	-
Revaluation reserve	19	**11.5**	161.5
Comprehensive income		**126.9**	278.8
Net income per ordinary share (basic and diluted)	28	**$0.16**	$0.21

Consolidated Statement of Changes in Shareholders' Equity

	Notes	Share capital $m	Additional paid-in capital $m	Accumulated other comprehensive (loss)/income $m	Revaluation reserve $m	Retained earnings $m	Total $m
At March 31, 2023		324.7	105.8	(10.8)	161.5	358.9	940.1
Net Income		-	-	-	-	103.0	103.0
Other Comprehensive income	10, 19	-	-	10.9	11.5	-	22.4
Other movements	18	(0.1)	-	1.5	(1.7)	-	(0.3)
At March 31, 2024		**324.6**	**105.8**	**1.6**	**171.3**	**461.9**	**1,065.2**

At 31 March 2024, The Belize Bank Limited maintained a non-distributable statutory reserve of $7.0 million (2023 - $7.0 million); Belize Bank International Limited maintained a non-distributable statutory reserve of $1.5 million (2023 - $1.0 million); and British Caribbean Bank Limited maintained a non-distributable statutory reserve of $13.0 million (2023 - $13.0 million).

See accompanying notes which are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended March 31	**2024 $m**	2023 $m
Cash flows from operating activities		
Net income	**78.9**	83.0
Adjustments to reconcile net income to net cash provided/ (used) by operating activities:		
Depreciation	**10.2**	8.1
Credit impairment charges	**0.9**	1.1
Undistributed earnings of associates	**14.7**	(25.0)
Changes in assets and liabilities:		
(Increase)/decrease in other and current assets	**(4.1)**	29.1
Increase/(decrease) in other and current liabilities	**16.0**	(13.3)
Gain on disposal of subsidiary	**24.1**	-
Gain generated from consolidation and settlement	**-**	35.3
Net cash generated by operating activities	**140.7**	118.3
Cash flows from investing activities		
Purchase of property, plant and equipment (net)	**22.0**	(74.8)
Proceeds from sale of property, plant and equipment	**0.5**	0.2
(Increase) in investments	**(85.0)**	(42.7)
(Increase)/decrease in loans to customers	**(81.5)**	1.1
Net cash used in investing activities	**(144.0)**	(116.2)
Cash flows from financing activities		
Decrease in share capital	**(0.1)**	(3.3)
Increase in additional paid-in capital	**-**	0.2
Decrease in treasury shares	**-**	2.1
Decrease in long-term debt	**(20.0)**	(10.9)
Increase/(decrease) in deposits	**20.0**	(16.4)
Net cash used in financing activities	**(0.1)**	(28.3)
Net change in cash, cash equivalents and due from banks	**(3.4)**	(26.2)
Cash, cash equivalents and due from banks at beginning of year	**444.6**	470.8
Cash, cash equivalents and due from banks at end of year	**441.2**	444.6
Cash - Financial Services	**164.9**	142.6
Balances with CBB - Financial Services	**219.8**	253.6
Cash - Turks and Caicos Collection	**25.7**	7.7
Cash - Corporate	**30.8**	40.7
	441.2	444.6

See accompanying notes which are an integral part of these consolidated financial statements.

Note 1 - Description of business

Introduction

Waterloo Investment Holdings Limited is a BVI business company with registered number 1628508 and registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands ("Waterloo" or "WIHL").

WIHL is an international company with significant investments in the Caribbean and Central America. Its operating businesses are mainly concentrated in the finance and hospitality sectors of Belize and the Turks and Caicos Islands.

Waterloo's principal banking subsidiaries comprise of The Belize Bank Limited and Belize Bank International Limited in Belize and British Caribbean Bank Limited in the Turks and Caicos Islands ("Banks"). Belize Bank is the market leader in Belize where it is the largest full service commercial and retail banking operation in the country, with twelve branches. Belize Bank International is an international bank, offering services to international clients. British Caribbean Bank provides banking and investment services to both local and international clientele in Turks and Caicos.

Waterloo's business strategy for its Finance Division is to establish a Financial Services Group with appropriate representation in selective jurisdictions within the Caribbean and Central America via organic growth and targeted acquisitions.

The Waterloo's Hospitality Division comprises two 4-star all-inclusive resorts in Providenciales, Turks and Caicos Islands, the Alexandra Resort and the Blue Haven Resort as well as the ultra-luxury private island of Ambergris Cay. Waterloo additionally owns the two premier hotels of Belize, the Fort George Hotel and Spa located in Belize City and the Alaia Autograph Collection Resort in San Pedro.

Its Agricultural Division comprises a 25 percent stake in a highly successful edible oil and related food products company operating in Central America. They own edible oil processing and distribution operations, as well as palm seed plantations throughout Central America and operate as producers and distributors of edible oils, margarine, industrial oils and animal feed. They have been in operation for over 50 years and have an experienced, long-established management team. The profits are principally driven by world market prices for crude palm oil.

Through Waterloo's Investment Division, it owns several strategic properties located in favorable locations which it intends on developing to further grow its Hospitality Division.

On 31 January 2024, the Group acquired 100% shareholding in Coney Properties Limited ("CPL") and Great Belize Productions Limited ("GBPL"), becoming its sole shareholder. GBPL produces commercials and documentaries and works with international producers on production services. The company offers nationwide coverage, transmitted via cable in all districts and broadcast over the air in Central, Western and Southern Belize.

Waterloo's shares are listed on the Bermuda Stock Exchange and traded on JP Jenkins, the largest European platform exchange, on a matched bargain basis.

Note 2 - Summary of material accounting policies

Basis of consolidated financial statements

The consolidated financial statements of Waterloo Investment Holdings Limited and its subsidiaries ("the Group") have been prepared on a going concern basis in millions ("$m") of United States dollars ("US Dollars" or "$") in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) (referred to as 'IFRS').

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group. WIHL consolidates companies in which it owns more than fifty percent of the voting shares or companies in which it has a controlling interest. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition up to the date of disposal. All significant intercompany balances and transactions have been eliminated in consolidation.

Loans and interest income recognition

Loans are stated at the principal amount outstanding, net of unearned income and allowance for loan losses. Interest income is recorded on an accrual basis. When either the collectability of principal or interest is considered doubtful, or payment of principal or interest is ninety days or more past due, loans are placed on non-accrual status and previously accrued but unpaid interest is charged against current year interest income, unless the amounts are in the process of collection. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for loan losses

The Group uses the Expected Credit Loss model for recognizing impairment related to its loans and investments. Management's consideration as to the adequacy of the allowance to provide for probable loan losses is based on a continuing review of the loan portfolio and includes, but is not limited to, consideration of the actual loan loss experience, the present and prospective condition of each borrower and its related industry, general economic conditions prevailing from time to time, and the estimated fair value of the related collateral. Loans are charged off against allowance for loan losses when the amounts are deemed to be uncollectible.

Under the Group's accounting policy for loan loss provisioning, the Group evaluates the probability of an impairment loss when a loan is classified as non-accrual. An impairment loss is recognized and fully provided for if the recorded amount of the non-accrual loan exceeds the estimated fair value of the underlying collateral less costs to sell. Most of the loans are fully collateralized. Interest income on impaired loans is recognized only when payments are received, and management considers that the loans will remain performing.

Management bases its estimate of specific loan loss provision on a comprehensive analysis of all loans, in particular all individual classified loans.

Investment loans

The Group classifies its interests in investment loans as held for sale or held for use at the time of purchase and reassesses this classification as of each balance sheet date. Investment loans are considered Level 3 in the fair value hierarchy due to the use of unobservable inputs to measure fair value. In the absence of an active market for the investment loans, fair value is measured using third-party appraisals of underlying collaterals and Level 3 pricing models based on information and assumptions that management believes are consistent with what market participants would use in a hypothetical transaction at the measurement date.

Investment loans are reviewed annually to determine whether impairment has occurred, that is other than temporary. Management considers various factors including the severity and likely duration of the impairment, the intent to hold an investment loan or the need to sell it before its anticipated recovery. If there is prevailing evidence that a reduction in fair value is other than temporary, the impairment is recognized in the income statement.

Leases

All leases are operating leases between Group companies, are immaterial, and the annual rentals are charged against income.

Currency translation

The reporting and functional currency of the Group is United States dollars (“USD”). The results of subsidiaries and associates, which account in a functional currency other than US dollars, are translated into US dollars at the average rate of exchange for the year. The assets and liabilities of subsidiaries and associates which account in a functional currency other than US dollars are translated into US dollars at the rate of exchange ruling at the balance sheet date. Unrealized translation gains or losses reported by the Group’s associate are recognized as cumulative translation adjustments through other comprehensive income within shareholders’ equity.

Gains and losses arising from currency transactions are included in the consolidated statements of income.

Associates

For investments in which the Group owns or controls more than twenty percent of the voting shares and exerts significant influence over operating and financial policies, the equity method of accounting is used in the consolidated financial statements. The investment in associates is shown in the consolidated balance sheets as the Group’s proportion of the underlying net assets of these companies plus any goodwill attributable to the acquisitions less any write-off required for a permanent diminution in value. The consolidated statement of comprehensive income includes the Group’s share of net income of associates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid instruments, with an original maturity of three months or less. As a result of the short-term maturity of these financial instruments, their carrying value is approximately equal to their fair market value.

Property, plant, and equipment

Property, plant, and equipment are carried at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset at the following rates:

Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of lease
Motor vehicles	4 years
Fixtures, fittings, and office equipment	3 to 10 years

The carrying value of property, plant, and equipment is evaluated periodically in relation to the operating performance and future cash flows of the underlying businesses. Where, in the opinion of management, an impairment in the value of property, plant and equipment has occurred, the amount of the impairment is recorded in the consolidated statement of income.

Repair and maintenance costs are expensed as incurred. Gains and losses arising from the disposal of property, plant and equipment are included in the consolidated statement of income.

Financial risk management

Financial instruments, which potentially subject the Group to concentrations of credit risk, principally consist of cash, cash equivalents and due from banks, extensions of credit to customers and investments. The Group places its cash, cash equivalents and due from banks, only with financial institutions with acceptable credit ratings and limits its credit exposure in respect of any one of these institutions.

Management's investment strategy is one of the lowest risk levels with zero margin. The goal is capital preservation and income generation through fixed income securities issued by the United States Treasury and other stable countries and by highly rated corporate entities. The investment portfolio is closely monitored by an investment committee.

The Group's credit risk portfolios are evaluated on a regular basis to ensure that concentrations of credit exposure do not result in unacceptable levels of risk. Credit limits, ongoing credit evaluations, and account-monitoring procedures are utilized to minimize the risk of loss.

The Group invests part of its excess liquidity in investment grade marketable securities which it classifies as held-to-maturity. Investments in held-to-maturity debt securities are initially recorded at cost and thereafter measured at amortized cost. Unrealized holding gains and losses are not recorded. A financial asset is measured at amortized cost if both the following conditions are met:

1. The asset is held in a business model with the objective of holding assets to collect contractual cash flows, and
2. The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the outstanding principal.

Additionally, the Bank invests part of its excess liquidity in blue-chip stocks, covered calls and covered puts. Investments in market volatile financial instruments are initially recorded at cost and then monthly marked to market. Unrealized holding gains and losses are recorded. Dividend income is included in non-interest income of the current period.

Recently adopted accounting standards and amendments

The Group adopts newly issued IFRS accounting standards and amendments in the year stipulated for adoption to the extent they are relevant to the Group's operations. The Group may adopt a newly issued standard or amendment if early adoption is permitted. The effect of adoption, if material, is disclosed in the consolidated financial statements.

Effective fiscal 2024, the Group adopted the following new and revised standards which did not have a material impact on the consolidated financial statements:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies, and includes guidance and international examples to explain and demonstrate the application of the four-step process described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates, defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Recently issued accounting standards and amendments

The Group is considering the relevance and possible impact of the following accounting standards and amendments stipulated for adoption in fiscal 2025:

IAS 1 - Classification of Liabilities with Covenants

The amendments improve information about long-term debt with covenants to enable financial statements users to understand the risks of loans becoming repayable within twelve months of the reporting period.

IFRS S1 and IFRS S2 Disclosure of Sustainability-related Financial Information

The amendments set out general requirements for a complete set of sustainability-related financial disclosures.

IFRS 7 Financial Instruments Disclosures

The amendments require disclosure of information about the significance of financial instruments to an entity and the nature and extent of risks arising from those financial instruments in qualitative and quantitative terms.

IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add significant measurement requirements for sale and leaseback transactions.

Note 3 - Segmental analysis

The Group is currently engaged in the provision of financial services, investment in assets principally in tourism and infrastructure business, the provision of hospitality services, corporate transactions and in associated companies.

At March 31	**2024 $m**	2023 $m
Total assets		
Financial Services	**1,316.9**	1,171.2
Investments	**290.6**	257.4
Hospitality	**242.1**	204.1
Latin American Associates	**226.1**	229.9
Port Division	**-**	57.2
Corporate	**33.9**	48.7
	2,109.6	1,968.5

Note 4 – Cash, cash equivalents and due from banks and financial institutions - Financial Services

At March 31	**2024 $m**	2023 $m
Cash and cash equivalents	**33.0**	27.5
Due from banks and financial institutions – non-interest bearing	**55.2**	63.6
Due from banks and financial institutions - interest bearing	**76.7**	51.5
	164.9	142.6

The portfolio of balances held by the Banks represents instruments of short-term placements of temporary available cash in other banks and financial institutions.

At March 31, 2024, all interbank loans and deposits placed in other banks and financial institutions were current and not impaired.

At March 31, 2024, BBL has utilised $8.2 million (2023 – $7.0 million) of its balances held with other financial institutions to be held as collateral for credit lines and as required by the credit card brands. These particular financial assets are pledged as collateral under terms that are usual and customary for such transactions.

Note 5 – Balances with the Central Bank of Belize - Financial Services

At March 31	**2024 $m**	2023 $m
Statutory reserve balances	**53.7**	52.8
Operating balance	**166.1**	200.8
	219.8	253.6

BBL is required to maintain an average minimum non-interest-bearing deposit balance with the Central Bank of Belize equal to 6.5% (2023: 6.5%) of their respective average deposit liabilities. At 31 March 2024, the actual amount for BBL was 28.3% (2023 – 31.0%). In addition, BBL must maintain an average aggregate of approved liquid assets (which include the average minimum non-interest-bearing deposit balance maintained with the Central Bank of Belize) equal to 21.0% (2023: 21.0%) of their average deposit liabilities. At 31 March 2024, the actual amount for BBL was 48.9% (2023 – 47.1%). The statutory reserve balances are not readily available to finance the day-to-day operations of the banks.

Note 6 – Investments - Financial Services

Investments consist of the following:

At March 31	**2024 $m**	2023 $m
Securities - at amortised cost	**252.0**	199.9
Securities - at FVOCI	**46.7**	13.8
Securities - at FVTPL	**-**	0.2
Less: impairment allowance	**(0.2)**	(0.4)
	298.5	213.5

The following table details the impairment allowance by stage and the investment securities by type:

At March 31	**2024 $m**	2023 $m
Equity securities	**-**	1.1
Debt securities	**298.7**	212.8
Stage 1: 12 Month ECL	**(0.2)**	(0.4)
Stage 2: Lifetime ECL	**-**	-
Stage 3: Lifetime ECL	**-**	-
	298.5	213.5

Note 7 - Loans - Financial Services

At March 31	**2024 $m**	2023 $m
Current loans	**569.9**	500.1
Non-performing loans	**22.5**	24.8
Total loans to customers, net of deferred income	**592.4**	524.9
Less: ECL	**(19.1)**	(20.8)
	573.3	504.1

The table below shows total loans to customers and the related ECL's:

At March 31	**2024 $m**	2023 $m
Gross loans	**592.4**	524.9
Stage 1: 12 Month ECL	**(2.2)**	(3.3)
Stage 2: Lifetime ECL	**(9.6)**	(10.1)
Stage 3: Lifetime ECL	**(7.3)**	(7.4)
	573.3	504.1

The table below shows the movements in ECL by stage:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL as at 31 March 2023	3.3	10.1	7.4	20.8
ECL on new instruments issued during the year	0.9	1.8	1.1	3.8
Other credit loss movements, repayments, and transfers	(2.0)	(2.3)	3.2	(1.1)
Charge offs and write offs	-	-	(4.4)	(4.4)
	2.2	**9.6**	**7.3**	**19.1**

The table below reflects outstanding loans by industry classifications:

At March 31	**2024 $m Amount**	**%**	2023 $m Amount	%
Building and construction	**253.4**	**42.8%**	196.1	37.4%
Other consumer loans	**138.4**	**23.4%**	122.8	23.4%
Real estate	**84.2**	**14.2%**	103.2	19.7%
Distribution	**29.5**	**5.0%**	27.0	5.1%
Agriculture	**28.1**	**4.7%**	23.2	4.4%
Transportation	**18.0**	**3.0%**	16.5	3.1%
Tourism	**13.6**	**2.3%**	14.4	2.7%
Manufacturing	**3.3**	**0.5%**	7.2	1.4%
Professional services	**6.6**	**1.1%**	6.0	1.1%
Utilities	**12.8**	**2.2%**	4.2	0.8%
Marine Products	**2.6**	**0.4%**	3.0	0.6%
Entertainment	**0.7**	**0.1%**	0.5	0.1%
Financial institutions	**0.8**	**0.1%**	0.4	0.1%
Mining and exploration	**0.2**	**0.0%**	0.2	0.0%
Forestry	**0.2**	**0.0%**	0.2	0.0%
	592.4	**100.0%**	524.9	100.0%

Note 8 – Property, plant and equipment - Financial Services

Property, plant and equipment of the Group as at 31 March 2024 and 2023 comprised the following:

At March 31	**2024 $m**	2023 $m
Cost:		
Land and buildings	**29.9**	24.5
Fixtures, fittings and office equipment	**25.2**	25.4
Total cost	**55.1**	49.9
Less: accumulated depreciation	**(18.3)**	(25.5)
	36.8	24.4

Capital expenditures for the year ended March 31, 2024 was $6.9 million (2023 – $2.6 million). Depreciation expense for the year ended March 31, 2024 was $5.5 million (2023 - $5.6 million).

Note 9 - Other assets - Financial Services

Other assets of $23.6 million (2023 - $33.0 million) comprise the following:

At March 31	**2024 $m**	2023 $m
Receivable from the Government of Belize	**19.6**	28.2
Prepayments	**1.6**	1.7
Inventories	**0.4**	0.8
Other receivables	**0.7**	1.5
Other assets	**0.5**	0.4
Accrued interest on loans, term deposits and corporate notes	**0.8**	0.4
	23.6	33.0

Due from Government of Belize:

At March 31	**2024 $m**	2023 $m
Amounts receivable from the Government of Belize	**19.7**	28.7
Less: impairment allowance	**(0.1)**	(0.5)
	19.6	28.2

Movements in impairment allowance:

At March 31	**2024 $m**	2023 $m
At beginning of the year	**(0.5)**	(0.6)
Decrease during the year	**0.4**	0.1
	(0.1)	(0.5)

On 23 March 2007, a loan note was issued to BBL by the Government of Belize ("GOB") under the terms of a settlement deed entered into by BBL and the GOB on the same date (the "2007 Loan Note"). The 2007 Loan Note had been entered into by the GOB in order to satisfy the GOB's liability under a 2004 guarantee for debts and liabilities owed to the Bank by Universal Health Services Limited.

BBL commenced arbitration proceedings (the "Arbitration") under the London Court of International Arbitration (the "LCIA") in order to recover the sums due under the 2007 Loan Note. On 15 January 2013, the arbitral tribunal made its Final Award in the Arbitration in favour of BBL. It declared that the 2007 Loan Note was valid and binding and ordered the GOB to pay BBL the sum of BZD 36,895,509 plus interest and costs.

The LCIA Final Award confirmed that the 2007 Loan Note was valid and binding on the basis of a judgement given by the Privy Council, in The Belize Bank Limited v The Association of Concerned Belizeans and Others (which was at that time Belize's highest court of appeal). In this judgement, the Privy Council rejected a challenge to the Loan Note that it did not comply with the Belize Finance and Audit (Reform) Act.

In order to increase its enforcement options, BBL applied to the English High Court for an order that the Final Award be enforceable in the same manner as a judgement or order of an English Court to the same effect. That order was granted on 20 February 2013 and was served on the GOB on 15 May 2013 (the "English Judgement").

Award Enforcement proceedings were also commenced against GOB in the Belize Supreme Court in 2013. On 17 February 2015, the Belize Supreme Court refused to enforce the Final Award on the grounds that enforcement would be contrary to public policy. BBL appealed this decision to the Belize Court of Appeal and on 24 March 2017, the Court of Appeal upheld the decision of the Belize Supreme Court. BBL appealed the Court of Appeal's decision to the Caribbean Court of Justice (the "CCJ") and on 22 November 2017, the CCJ reversed the Court of Appeal's decision and found in favour of BBL. The CCJ's Order granted permission to BBL to enforce the LCIA Award in the same manner as a judgement or order of the Supreme Court to the same effect (the "Belize Judgement"). Twenty-one days after the CCJ granted permission, BBL applied to the CCJ under section 25 of the Crown Proceedings Act for a certificate certifying the amounts payable to BBL by the Government. On 3 January 2018, the CCJ issued the Certificate certifying the amount payable to BBL by the Government under the LCIA Award and the Certificate was served on the Attorney General, the Minister of Finance and the Financial Secretary on 04 January 2018. The CCJ held that the effect of the Certificate is to convert the CCJ Order into a Judgement Debt.

On 4 January 2018, BBL applied for a further order from the CCJ directing the Minister of Finance to pay the amount due under the Judgement. On 1 June 2018 the CCJ decided that BBL's application was premature but stated in its decision that if the Government failed to enact the necessary legislation to satisfy the judgement, then BBL should apply to the Belize Supreme Court for a declaration that the Minister of Finance has failed to comply with his obligations under section 25 of the Crown Proceedings Act and an order that the Minister of Finance pay the amount due under the judgement.

On 26 June 2018, BBL filed an application pursuant to Part 56 of the Supreme Court (Civil Procedure) Rules, 2005 for an order granting permission to BBL to apply for Judicial Review of: (i) the decision of the Minister of Finance not to comply with his mandatory duty within section 25(3) of the Crown Proceedings Act to pay the sum certified as payable to BBL by the Certificate of Order dated 3 January 2018 issued by the Registrar of the Caribbean Court of Justice, and (ii) the decision of the Minister of Finance not to satisfy the Judgement Debt with interest accruing at the rate of 6% per annum.

On 9 July 2018, the Chief Justice granted permission to BBL to apply for judicial review. BBL filed a fixed date claim form applying for judicial review on 23 July 2018. The first hearing took place on 17 September, 2018 and the Court granted BBL's application for the trial of certain preliminary issues namely: (i) whether the Minister of Finance failed to comply with his statutory duty imposed by section 25(3) of the Crown Proceedings Act Cap 167 of the Laws of Belize; and (ii) whether an Order ought to be made directing the Minister of Finance to pay the sum due under the Certificate Order or Judgement Debt (less amounts set-off as Business Tax) within 10 days of the Order. The trial of certain preliminary issues took place in December 2018 and on 10 January, 2020 the Hon. Chief Justice ruled that the Government had not failed to comply with its statutory duty imposed by section 25 of the Crown Proceedings Act Cap 167 of the Laws of Belize and refused the Order directing the Minister of Finance to pay the sum due under the Certificate Order or Judgment Debt (less amounts set-off as Business Tax for the 1st and 2nd Quarters of 2018) within 10 days. BBL appealed the decision of the learned Chief Justice on these preliminary issues pursuant to leave granted by the Hon. Chief Justice on the 10 February 2020 (the "Mandamus Appeal").

On 28 June 2018, BBL filed a claim against the Commissioner of Income and Business Tax and the Attorney General of Belize (both being representatives of the GOB) in light of the Commissioner's refusal to set-off the Business Tax owed to the Government by BBL notwithstanding being duly authorised by BBL to satisfy the taxes due by way of set-off against the Judgement Debt. The trial of BBL's claim took place on 22 January 2019 at the Supreme Court of Belize. The Court had difficulty accepting the Government's arguments and found in favour of BBL. The Court ordered: (i) a Declaration that the decision of the Commissioner; refusing to set-off BBL's tax liability against the Judgement Debt is unreasonable, disproportionate, unlawful and therefore inequitable; (ii) a Declaration that the decision of the Commissioner not to consider garnishing BBL's tax debt from the Judgement Debt is unlawful; (iii) an Order restraining the Commissioner whether by herself, her servants and her agents from seeking to enforce the tax liability against BBL, and (iv) the Government to pay BBL its cost to be agreed or assessed. The decision of the court was orally delivered on 22 January 2019 and the written judgement handed down on 8 February 2019. The decision of the Supreme Court of Belize legally endorsed BBL's right to authorise the Government to set-off all Business Tax owed to the Government by BBL against the Judgement Debt. The Government has since appealed the decision of the Supreme Court to the Belize Court of Appeal but no stay of the effect of this decision has been granted to the Government (the "Tax Appeal").

BBL has sought the permission of the Belize Court of Appeal to have both the Mandamus Appeal and the Tax Appeal heard together when they are heard by the Court of Appeal. The parties have been in discussions with the aim of arriving at the settlement of both Appeals ahead of the Court of Appeal Hearing which is expected to take place in October 2024.

In order to further increase its enforcement options, BBL filed a petition to enforce the Final Award in federal court in the United States on 18 April 2014. The GOB filed a motion to dismiss and a response to the petition to confirm the Final Award on 8 August 2014. The GOB applied for a stay pending the outcome of similar litigation. However, the stay was denied on 9 January 2016. On 8 June 2016 the US District Court confirmed the Final Award and entered judgement in favour of BBL against the GOB for the monetary portion of the Award; to be converted to US dollars, applying the conversion rate as of the date the Award was issued plus interest at the annual rate of 17.0% compounded annually between 8 September 2012 and 8 June 2016. On 12 July 2016, the United States District Court ordered that judgement be entered in favour of BBL against the GOB in the amount of USD 19,086,210 plus USD 16,099,216 in pre-judgement interest, totaling USD 35,185,427 (the "US Judgement").

The GOB appealed the decision of the US District Court to the US Court of Appeals, D.C. Circuit. A hearing in the US Court of Appeals took place on 9 February 2017. On 31 March 2017, the US Court of Appeals, D.C. Circuit upheld the decision of the US District Court and rejected all of the GOB's arguments on appeal.

On 28 April 2017, the GOB filed a petition for an 'en banc' review of the US Court of Appeal's decision in essence asking the court to reconsider its decision. On 7 June 2017, the petition by the GOB for an 'en banc' rehearing was denied by the US Court of Appeal and its earlier judgement was confirmed.

The GOB then sought review by the United States Supreme Court. On 13 November 2017, the United States Supreme Court denied the GOB's petition for certiorari, rendering the US Judgement final and not subject to further judicial review.

On 16 November 2017, BBL filed a motion in the United States District Court for the District of Columbia pursuant to 28 U.S.C. §1610(c) seeking judicial authorisation to seek enforcement of the US Judgement against the GOB. On 12 March 2018, the United States District Court ordered that BBL may now seek attachment or execution of GOB property to satisfy the Court's judgement pursuant to 28 U.S.C. § 1610(a)–(b) in the jurisdictions where such attachment or execution is appropriate.

The Award underlying the English Judgement, the US Judgement, and the Belize Judgement has been recognised and declared enforceable against GOB by the highest Belize and US Courts, and by the English Courts.

Note 10 – Latin American Associates

The Group has an equity investment in Latin American Associates which own edible oil processing and distribution operations and palm seed plantations in Latin America and operate as producers and distributors of edible oils, margarine, industrial oils and animal feed, in Costa Rica, Colombia, Panama, Nicaragua and Mexico. The share of net income amounted to $35.4 million for the year ended March 31, 2024 (2023 - $46.0 million). The share of unrealized translation income/(loss) amounted to $10.9 million for the year ended March 31, 2024 (2023 – ($1.2) million) and is recognized as a cumulative translation adjustment through other comprehensive income/(loss) within shareholders' equity.

At March 31	**2024 $m**	2023 $m
Investment in Latin American Associates	**226.1**	229.9

Year ended March 31	**2024 $m**	2023 $m
Share of Latin American Associates' earnings	**35.4**	46.0
Share of Latin American Associates' other comprehensive income/ (loss)	**10.9**	(1.2)
Total dividends received during the year	**50.1**	21.0

At March 31, 2024, the accumulated undistributed earnings of Latin American Associates included in the consolidated retained earnings of the Group amounted to $240.8 million (2023 - $204.9 million). The accumulated comprehensive income of Latin American Associates included in the consolidated accumulated other comprehensive income/ (loss) of the Group at March 31, 2024, amounted to $0.1 million (2023 - $10.8 million).

Summarized combined unaudited financial information for Latin American Associates was as follows:

Income statement

Year ended March 31	**2024 $m**	2023 $m
Net sales	**1,298.7**	1,462.9
Gross profit	**297.8**	350.8
Income from continuing operations	**164.8**	232.8
Net income	**149.7**	186.7

Balance sheet

At March 31	**2024 $m**	2023 $m
Cash and liquid securities	**273.0**	305.0
Current assets	**465.1**	410.8
Long-term investments	**23.4**	21.8
Property, plant and equipment	**383.3**	375.4
Other non-current assets	**21.7**	21.0
Current liabilities	**(232.8)**	(175.4)
Non-current liabilities	**(47.8)**	(32.2)

Note 11 – Loans - Investments

At March 31	**2024 $m**	2023 $m
Loans (net of unearned income):		
Commercial - real estate	**92.1**	80.7
	92.1	80.7
Allowance for loan losses:		
Commercial - real estate	**(43.0)**	(43.0)
	(43.0)	(43.0)
Loans (net of unearned income and allowance for loan losses):		
Commercial - real estate	**49.1**	37.7
	49.1	37.7

Investment loans principally comprise secured loans where the borrowers have failed to comply with the terms and conditions of the respective loans and security agreements and documents.

These collateralized assets principally comprise development land or development land and buildings in the tourism, tourism related and hospitality business sectors. It is management's intention to hold the investment loan interests for the medium to long term in order to maximize the long-term realizable value of the investment loans.

Investment loans are carried net of provisions for loan losses which reflect fair value adjustments (Note 33).

As a result of the nature of these consolidated financial instruments, the estimated fair market value of the loan portfolio is considered by the Group to approximate its carrying value. Loan loss provisioning is based on management's estimate of the recoverability of non-performing loans after allowing for the estimated net realizable value of collateral held.

Changes in the provision for loan losses were as follows:

Year ended March 31	**2024 $m**	2023 $m
At April 1, 2023	**43.0**	70.2
Provisions charged to other comprehensive income	**-**	(7.1)
Write-offs	**-**	(20.1)
	43.0	43.0

Note 12 – Other assets - Investments

At March 31	**2024 $m**	2023 $m
Investments:		
Residential - real estate (note i)	**4.8**	4.8
Commercial - real estate (note ii)	**232.2**	214.8
	237.0	219.6

(i) Residential real-estate assets principally comprise residential property located in TCI.

(ii) Commercial real-estate assets principally comprise those assets held for commercial purposes located in TCI and Belize.

The allowance for investment losses for the year ended March 31, 2024 was nil (2023 – nil).

Note 13 – Property, plant and equipment – Hospitality

At March 31	**2024 $m**	2023 $m
Cost:		
Land and buildings	**197.8**	171.3
Fixtures, fittings and office equipment	**26.3**	27.3
Total cost	**224.1**	198.6
Less: accumulated depreciation	**(29.7)**	(24.0)
	194.4	174.6

Total capital expenditure for the year ended March 31, 2024 was $13.6 million (2023 - $29.5 million). Total depreciation expense for the year ended March 31, 2024 was $6.2 million (2023 - $3.9 million). In fiscal year 2024, the Hospitality Division wrote off fixed assets at a cost of $1.1 million and net book value of $0.1 million (2023 - nil).

Note 14 – Sale of subsidiaries - Port

On 13 December 2023, the Group disposed of its equity interest in its subsidiaries, Port of Belize Limited, The Belize Port Limited and Belize Logistics Terminal Limited to the Government of Belize. The Government of Belize purchased all ordinary shares amounting to 26,545,984, real estate and moveable and other assets for an agreed purchase price of $38.0 million cash and treasury notes valued at $45.4 million. The total consideration for the sale was $83.4 million.

The four (4) treasury notes valued at $45.4 million have maturity dates ranging from 2 – 5 years from date of issue and coupon interest rate ranging from 3.5% - 3.8%. During the 2024 financial year, the treasury notes were sold to Belize Bank Limited (subsidiary of WIHL) in the amount of $45.4 million.

At the date of disposal, the carrying amount of the Port's net assets were as follows:

	2024 $m
Cash, cash equivalents and due from banks	**0.3**
Current assets	**3.2**
Property, plant and equipment - net	**54.0**
Other assets	**0.2**
Total Assets	**57.7**
Accrued expenses	**(1.9)**
Total Liabilities	**(1.9)**
Total net assets	**55.8**

Gain on disposal of Port

Fair value of consideration received from sale of Port	**83.4**
Transaction and negotiation cost	**(3.5)**
Fair value of net proceeds	**79.9**
Less: fair value of net assets	**(55.8)**
Gain on disposal	**24.1**

The gain on disposal of $24.1 million is included in the non-recurring income for the year in the consolidated statement of income.

Note 15 – Deposits – Financial Services

At March 31	2024 $m	2023 $m
Demand deposits	**522.2**	550.3
Savings deposits	**186.2**	174.0
Term deposits	**250.3**	214.4
	958.7	938.7

Included in demand deposits at March 31, 2024 were $144.6 million (2023 - $99.1 million) of demand deposits denominated in US dollars and nil (2023 - $3.7 million) denominated in UK pounds sterling. Included in term deposits at March 31, 2024 were $90.9 million (2023 – $65.9 million) of term deposits denominated in US dollars.

As at March 31, 2024, there is no material currency mismatch in the opinion of management.

As a result of the short-term maturity of these financial instruments, their carrying value is considered by the Group to approximately equal their fair market value.

Note 16 – Current liabilities – Corporate

At March 31, 2024, WIHL had $0.6 million in current liabilities (2023 - $1.1 million).

Note 17 – Long-term liabilities – Corporate

At March 31, 2024, WIHL had $20.4 million in long-term liabilities (2023 - $40.4 million).

In 2022, the Company issued $50.4 million Fixed Rate 3 Per Cent Unsecured Loan Notes to its majority shareholder, Lord Ashcroft, being the consideration for the acquisition of a portfolio of properties in Belize and Turks and Caicos. The Notes are to be fully repaid in 2027, however, WIHL repaid $20 million in Loan Notes for the financial year 2024. The outstanding balance as at March 31, 2024 is $20.4 million.

Note 18 - Share capital

At March 31	**2024 $m**	2023 $m
Authorized Ordinary shares: 1,750,000,000 shares of par value $0.50	**875.0**	875.0

Issued Shares

The movement in issued shares has been as follows:

	Number	$m
At March 31, 2022 - Restated	650,553,276	328.0
At March 31, 2023	649,324,170	324.7
At March 31, 2024	**649,197,284**	**324.6**

Note 19 – Revaluation reserve

Prior to fiscal year 2023 all property values were carried at historical cost. With the significant increase in land and construction cost experienced, these properties have since been revalued by professional third party valuators. The Revaluation Reserve takes into account the appreciation of values between the historical cost and these recent appraisals.

At March 31	**2024 $m**	2023 $m
Opening balance	**161.5**	-
Revaluation surplus as recognised in OCI	**11.5**	161.5
Movements	**(1.7)**	-
Closing Balance	**171.3**	161.5

During the 2024 financial year, BBIL recorded a property revaluation surplus. The revaluation surplus has been fully recognized in the Consolidated Statement of Comprehensive Income and in equity as other comprehensive income in accordance with IFRS to distinguish it from retained earnings since it is not distributable as dividends.

Note 20 - Interest income - Financial Services

Year ended March 31	**2024 $m**	2023 $m
Interest on loans to customers	**53.0**	47.7
Interest on due from Government of Belize	**5.9**	4.7
Interest on deposits with financial institutions	**4.6**	2.1
Interest on securities	**2.4**	1.8
	65.9	56.3

Note 21 - Interest expense - Financial Services

Interest expense comprises interest on customer deposits and amounts to $9.5 million (2023 - $8.3 million).

Note 22 - Non-interest income - Financial Services

Year ended March 31	**2024 $m**	2023 $m
Foreign exchange income and commissions	**6.8**	7.2
Customer service and letter of credit fees	**5.1**	4.7
Credit card fees	**0.7**	1.2
Other income	**0.7**	0.6
Other financial and related services	**-**	-
	13.3	13.7

Note 23 - Non-interest expense - Financial Services

Year ended March 31	**2024 $m**	2023 $m
Salaries and benefits	**14.8**	13.5
Taxes	**10.6**	9.4
Premises and equipment	**4.4**	3.8
Depreciation expense	**3.2**	3.1
Other expenses	**4.3**	4.0
	37.3	33.8

Note 24 – Operating income – Hospitality

Year ended March 31	**2024 $m**	2023 $m
Sales	**103.1**	86.6
Operational expenses	**(86.0)**	(74.3)
Profit for the year	**17.1**	12.3

Note 25 – Operating loss - Investments

Operating loss comprises expenses in the amounts of $5.4 million (2023 - $1.7 million)

Note 26 – Operating income - Port

Year ended March 31	**2024 $m**	2023 $m
Sales	**10.9**	15.8
Operational expenses	**(8.2)**	(11.0)
Profit for the year	**2.7**	4.8

Note 27 – Non-recurring income

The non-recurring income of $24.1 million was generated due to a gain on the sale of the Port of Belize in December 2023.

In 2023, the non-recurring income of $35.5 million was generated due to a $18.5 million gain on the consolidation of the Port of Belize; and a $17.0 million gain on the Belize Investment Services Limited settlement.

Note 28 – Net profit per ordinary share

Basic and diluted net profit per ordinary share has been calculated on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue in each year.

Year ended March 31	**2024 $m**	2023 $m
Net profit	**103.0**	118.5
Weighted average number of shares (basic and diluted)	**649,218,059**	576,559,034
Net profit per ordinary share (basic and diluted)	**0.16**	0.21

Note 29 Commitments, contingencies and regulatory matters

(i) The Group is a party to financial instruments with off-balance-sheet risks in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and financial guarantees. The Group grants short-term credit facilities to customers for periods of up to twelve months generally to meet customers' working capital requirements. These facilities are repayable on demand and are subject to review at any time. In practice, such reviews are carried out at periodic intervals agreed with the customer. Outstanding commitments to extend credit at March 31, 2024 amounted to $84.5 million (2023 – $73.0 million).

Since many of the commitments are expected to expire without being drawn upon in full, and because of the fluctuating aspect of the facilities, the total commitment amounts do not necessarily represent future cash requirements. The Group evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral required by the Group for the extension of credit is based on the Group's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties and assets.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. The terms of such guarantees do not normally exceed more than one year.

The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Group holds similar collateral to that held for the short-term facilities described above and such commitments are generally fully secured. Outstanding standby letters of credit and financial guarantees written at 31 March 2024 amounted to $9.6 million (2023 – $7.4 million).

(ii) In the ordinary course of business, the Group is subject to pending and threatened legal actions and proceedings. As a litigation that may have a material effect, the Group, in conjunction with outside counsel, evaluates the matter on an ongoing basis in light of potentially relevant factual and legal developments. These may include settlement discussions and rulings by courts, arbitrators or others.

(iii) As explained in Note 9, BBL is engaged in legal proceedings in which it is vigorously pursuing a claim against the GOB. Having received the advice of external advisers, the Company expects BBL to fully recover amounts recorded as due from GOB in Note 9. Legal costs are expensed as incurred.

(iv) In the ordinary course of business, the Company's subsidiaries are subject to regulatory examinations, information gathering requests, enquiries, and investigations. As a regulatory matter develops that may have a material effect, the Company and the relevant subsidiaries, in conjunction with outside counsel, evaluate the matter on an ongoing basis in light of potentially relevant factual and legal developments. These may include settlement discussions and rulings by courts, arbitrators or others. Based on current knowledge and discussions with independent legal counsel, management does not believe that the outcome of any regulatory matter that is unresolved at March 31, 2024 would have a material adverse effect on the financial position or liquidity of the Company or its subsidiaries.

(v) BBL and BBIL, as fully authorised banking entities, are subject to detailed regulatory requirements in Belize. These requirements are principally set by the Central Bank of Belize. As of March 31, 2024, and 2023, and for the years then ended, BBL and BBIL substantially met all of its obligations and requirements under such regulations. These regulations may, in the future, change or be amended. At such time, BBL and BBIL will make all endeavours to follow, as soon as reasonably practicable, all such revised regulations.

(vi) BCB, as a fully authorised banking entity, is subject to detailed regulatory requirements in Turks and Caicos. These requirements are principally set by the Financial Services Commission. As of March 31, 2024, and 2023, and for the years then ended, BCB substantially met all of its obligations and requirements under such regulations. These regulations may, in the future, change or be amended. At such time, BCB will make all endeavours to follow, as soon as reasonably practicable, all such revised regulations.

(vii) The Banks have foreign exchange risk which arises from accepting foreign currency deposits, primarily with respect to UK pounds sterling. To manage their foreign exchange risk related to UK pounds sterling deposits, the Banks closely monitor the performance of UK pounds sterling and rely on their treasury management to eliminate any UK pounds sterling exposure at short notice to the extent possible.

Note 30 - Concentrations of deposit and credit risk

The Group is potentially subject to financial instrument concentration of credit risk through its cash equivalents and credit extensions. The Group performs periodic evaluations of the relative credit standing of financial institutions it transacts with.

The Group has a credit risk concentrated in the tourism, building and construction, the consumer lending sector and real estate industries but does not foresee a material credit risk associated with individual credit extensions in these industries beyond what has already been prudently recognized and provided for in the consolidated financial statements. The Group monitors its risk concentration associated with credit extensions on a continuous basis in an effort to mitigate its exposure.

The Group has a concentration of deposit risk due to the existence of certain large individual client deposits. The Group manages the concentration risk by monitoring on a regular basis the distribution of maturities of its clients' deposits.

Note 31 – Regulatory capital requirements

The regulatory capital guidelines measure capital in relation to the credit and market risks of both off-balance sheet and on-balance sheet items by applying various risk weighting. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Banks' financial positions, results of operations, or liquidity. The following table sets forth the capital requirements and the actual ratios of the Banks.

At March 31	Minimum Required	**2024**	2023
Belize Bank Limited	9%	**22%**	19%
Belize Bank International Limited	10%	**77%**	76%
British Caribbean Bank Limited	11%	**61%**	56%

The Group's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognized and the Group recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position. The Group and its individually regulated operations have complied with all externally imposed capital requirements.

Note 32 – Related party transactions

Related parties include associated companies, key management personnel, the Board of Directors (“Directors”), and entities which are, directly or indirectly, controlled by, jointly controlled or significantly influenced by key management personnel and Directors.

Lord Ashcroft, KCMG, PC is the Company’s ultimate controlling party. At March 31, 2024, the percentage of Lord Ashcroft’s shareholdings in the Company was 91.77% (2023 – 91.76%).

Key management personnel and directors

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling our activities, directly or indirectly. They include non-executive Board members and senior members of the Group.

Details of transactions and balances with related parties as at 31 March 2024 and 31 March 2023 and during the year then ended are set out in the tables below:

At March 31 2024	Board of directors	Key management	Other related parties	Total
Loans due from related parties	-	1	-	1
Other due from related parties	-	-	11	11
Loans (due to) related party	(20)	-	-	(20)
Other (due to) related party	-	(1)	(9)	(10)
	(20)	(0)	2	(18)

At March 31 2023	Board of directors	Key management	Other related parties	Total
Loans due from related parties	-	1	-	1
Other due from related parties	-	-	8	8
Loans (due to) related party	(40)	-	-	(40)
Other (due to) related party	-	(1)	(38)	(39)
	(40)	(0)	(30)	(70)

Note 33 – Fair value of financial instruments

Fair value is the exchange price receivable for an asset or payable for transferring a liability in the most advantageous market for the asset or liability in an arms-length transaction between market participants on the measurement date using any of the following three levels of inputs:

Level 1 – Quoted prices for identical assets or liabilities in active markets that the Group has the ability to access on the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect the Group's evaluation of the assumptions that market participants would use in pricing an asset or liability.

The amounts reported in the balance sheets for cash and due from banks and interest-bearing deposits are of approximate fair value due to the short-term maturity of these instruments. The Group places its cash and cash equivalent deposits only with financial institutions with an acceptable credit rating.

Investments in held-to-maturity debt securities are initially recorded at cost and then recorded at amortized cost. Unrealized holding gains and losses are not recorded. Interest revenue is included in interest income of the current period.

A financial asset is measured at amortized cost if both the following conditions are met:

1. The asset is held in a business model with the objective of holding assets to collect contractual cash flows, and
2. The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the outstanding principal.

Additionally, the Group invests part of its excess liquidity in blue-chip stocks. Investments in market volatile financial instruments are initially recorded at cost and then monthly marked to market. Unrealized holding gains and losses are recorded. Dividend income is included in non-interest income of the current period.

The carrying amounts of loans receivable, net of valuation allowances, are estimated to approximate fair value based on their respective interest rates, risk-related rate spreads and collateral consideration. These facilities are generally payable on demand and are subject to review at the discretion of the Group.

The fair value of investment loans is measured using third-party appraisals of underlying collaterals and Level 3 pricing models based on information and assumptions that management believes are consistent with what market participants would use in a hypothetical transaction at the measurement date, as described in Note 2 – Investment Loans.

The fair value of the Group's deposit liabilities approximates carrying values based on comparative rates offered by other banks for deposits of similar remaining maturities.

The carrying amount of long-term debt is a reasonable estimate of fair value based on the Group's incremental rates for equivalent types of financing arrangements.

Accrued expenses and other liabilities reflect current market conditions.

With regards to financial instruments with off-balance sheet risk, it is not practicable to estimate the fair value of future financing commitments. However, the terms and conditions reflected in acceptances and commitments for financing assistance are market-sensitive and are not materially different from those that would have been negotiated as of March 31, 2024 and 2023.

In the opinion of the Group's management, all other financial instruments reflect current market conditions, and their fair value are not expected to differ materially from carrying amounts.

Note 34 – Financial risk management

The Board has ultimate responsibility for the establishment and oversight of the Group's risk management framework.

In view of the operational structure of the Group, the implementation and execution of the risk management framework rests with the operating entities which comprise the Group.

The Board monitors this through regular meetings with the key operational subsidiary personnel and through the receipt of regular and detailed reports from them.

Credit risk

Credit Risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. The objective of the Banks' credit risk management function is to maximize their respective risk-adjusted rates of return by maintaining credit risk exposure within acceptable parameters.

The Bank boards have delegated overall responsibility for the management of their respective credit risk to management, which include:

(i) Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk rating and reporting, legal and documentary procedures, as well as compliance with regulatory and statutory requirements.
(ii) Establishing the authorization structure for the approval and renewal of credit facilities.
(iii) Reviewing and assessing credit risk.
(iv) Limiting concentrations of exposure to counterparties, industries, credit risk buckets (Borrower's Risk Rating), and market liquidity.
(v) Developing and maintaining the Banks' risk rating system (Borrower's Risk Rating), categorizing exposures according to the degree of risk of financial loss faced and to focus the management on the inherent risks.
(vi) Providing advice, guidance, and specialist skills to business units to promote the best practices by the Banks in the management of credit risk.

Each business unit is responsible for implementing the Banks' credit policies and procedures. Each business unit is also responsible for the quality and performance of its credit portfolio and for monitoring all credit risks in its portfolio. The Banks use a risk rating system which groups retail, commercial, and corporate accounts into various risk categories (Borrower's Risk Rating) to facilitate the management of risk on both an individual account and portfolio basis. The evaluation of the risk and trend informs the credit decision and determines the intensity of the monitoring process. Risk ratings are subject to annual reviews.

The Banks' credit control process promotes early detection of deterioration and prompt implementation of remedial action and where necessary, or as required once conditions set by the regulator are met, accounts are transferred from performing to non-performing status.

At 31 March 2024, BBL's maximum exposure to credit risk amounted to $911.1 million (2023 – $781.7 million); that of BBIL's amounted to $38.9 million (2023 – $36.4 million); and that of BCB's amounted to $168.1 million (2023 – $142.2 million).

Credit concentration risk

The Group is potentially subject to financial instrument concentration of credit risk through their cash equivalents and credit extensions and investments. The Group performs periodic evaluations of the relative credit standing of financial institutions they transact with and places their cash and cash equivalents only with financial institutions with a high credit rating.

The Group has credit risk concentrated in the tourism, real estate and building and construction industries but do not foresee a material credit risk associated with individual credit extensions in these industries beyond what has already been prudently recognised and provided for in the financial statements.
The Group monitors its risk concentration associated with credit extensions on a continuous basis in an effort to mitigate their exposure.

As at 31 March 2024 and 2023, the loan portfolio stratification for the Group was as follows:

	31 March 24			31 March 23		
Loan outstanding balance range	Amount	Number of borrowers	%	Amount	Number of borrowers	%
Less than $500	0.3	8,595	0.05%	0.2	9,659	0.04%
From $500 to $5,000	21.9	18,529	3.70%	19.5	16,477	3.73%
From $5001 to $10,000	30.7	8,416	5.19%	26.6	7,341	5.09%
From $10,001 to $50,000	138.4	13,465	23.44%	112.0	10,998	21.43%
From $50,001 to $100,000	53.4	1,464	9.05%	54.3	1,506	10.40%
From $100,001 to $250,000	97.1	1,236	16.45%	94.6	1,258	18.10%
From $250,001 to $1,000,000	93.0	373	15.75%	84.3	361	16.14%
More than $1,000,000	155.7	76	26.37%	131.0	66	25.07%
	590.5	**52,154**	**100.00%**	**522.5**	**47,666**	**100.00%**

Significant increase in credit risk

The Group continuously monitors all assets subject to ECL's. The Group assess whether there has been a significant increase in credit risk since initial recognition to determine whether a financial instrument is subject to 12mECL or LTECL.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for a financial asset. If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECL's on a collective basis for a group of homogenous assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Default and impairment assessment

Financial asset provisions are completed quarterly in accordance with established guidelines.

Stage 3 debts that have remained in non-performing status for more than 4 years are written off.

The Group considers a financial instrument defaulted and therefore in Stage 3 (credit-impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may reflect an unlikeliness to pay. When such events occur, the Group considers whether the event should result in increasing the customer's PD and consequently the customer's ECL.

An analysis of the gross carrying amount and the corresponding ECL's are as follows:

At 31 March 2024	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 1						
Gross loans	196.8	26.3	157.9	134.5	2.4	517.9
ECL	(0.7)	(0.1)	(0.7)	(0.7)	-	(2.2)
	196.1	**26.2**	**157.2**	**133.8**	**2.4**	**515.7**
ECL as a % of Gross loans	0%	0%	0%	1%	0%	0%

At 31 March 2023	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 1						
Gross loans	194.8	22.5	130.5	101.1	-	448.9
ECL	(1.0)	(0.3)	(1.3)	(0.7)	-	(3.3)
	193.8	**22.2**	**129.2**	**100.4**	**-**	**445.6**
ECL as a % of Gross loans	1%	1%	1%	1%	0%	1%

The ECL's of Stage 1 as a percentage of gross loans balance decreased from 1% to 0%.

At 31 March 2024	Retail Mortgages $m	Credit Cards $m	Retail Other $m	Corporate Loans $m	Total $m
Stage 2					
Gross loans	4.4	0.2	3.6	43.2	51.4
ECL	(0.3)	-	(0.3)	(9.1)	(9.7)
	4.1	**0.2**	**3.3**	**34.1**	**41.7**
ECL as a % of Gross loans	7%	0%	8%	21%	19%

At 31 March 2023	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial real estate $m	Total $m
Stage 2					
Gross loans	3.0	0.2	2.5	46.5	52.2
ECL	(0.1)	-	(0.3)	(9.8)	(10.2)
	2.9	**0.2**	**2.2**	**36.7**	**42.0**
ECL as a % of Gross loans	3%	0%	12%	21%	20%

The ECL's of Stage 2 as a percentage of gross loans balance decreased from 20% to 19% reflecting an improvement in the overall credit quality of the portfolio resulting in lower PDs and LGDs.

At 31 March 2024	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial real estate $m	Total $m
Stage 3					
Gross loans	7.7	1.9	7.6	5.9	23.1
ECL	(1.3)	(0.9)	(3.5)	(1.6)	(7.3)
	6.4	**1.0**	**4.1**	**4.3**	**15.8**
ECL as a % of Gross loans	17%	47%	46%	27%	32%

At 31 March 2023	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial real estate $m	Total $m
Stage 3					
Gross loans	12.4	2.2	6.3	2.9	23.8
ECL	(2.1)	(1.2)	(2.9)	(1.1)	(7.3)
	10.3	**1.0**	**3.4**	**1.8**	**16.5**
ECL as a % of Gross loans	17%	55%	46%	38%	31%

The ECL's of Stage 3 as a percentage of the gross loans balance increased from 31% to 32% reflecting a decreased by $0.7 million but the related ECL remained the same.

Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which include interest rate risk and foreign currency risk.

The Group's market risk management seeks to limit the amount of possible losses on owned positions incurred by them within a fixed period due to currency fluctuations, changes of securities and interest rates by establishing a system of limits on transactions and conducting other procedures below.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Belize operates an exchange rate that is fixed at 2:1. The Banks do not engage in speculative foreign exchange activity, since their primary focus is to profitably supply customers' foreign exchange requirements, with the US dollar dominating trading. BBL, for example, estimates that a 2% appreciation of the US dollar against the Belize dollar would result in a gain to BBL of $1.5 million, while the same appreciation in the other currencies against the Belize dollar would on aggregate result in a gain of $0.2 million.

The following table provides assets and liabilities by currency at the specified dates:

At 31 March 2024	BZD $m	USD $m	Other currencies $m	Total $m
Financial assets	808.1	340.8	7.3	1,156.2
Non-financial assets	87.4	856.8	-	944.2
Total assets	**895.5**	**1,197.6**	**7.3**	**2,100.4**
Financial liabilities	775.4	204.6	0.3	980.3
Non-financial liabilities	19.9	44.2	-	64.1
Total liabilities	**795.3**	**248.8**	**0.3**	**1,044.4**
Credit related commitments	83.2	2.6	-	85.8

At 31 March 2023	BZD $m	USD $m	Other currencies $m	Total $m
Financial assets	826.7	279.6	9.0	1,115.3
Non-financial assets	129.3	723.9	-	853.2
Total assets	**956.0**	**1,003.5**	**9.0**	**1,968.5**
Financial liabilities	805.7	143.4	4.1	953.2
Non-financial liabilities	12.3	62.9	-	75.2
Total liabilities	**818.0**	**206.3**	**4.1**	**1,028.4**
Credit related commitments	73.1	1.9	-	75.0

Liquidity risk

Liquidity risk is the risk arising from the Banks' potential inability to meet all potential obligations when they come due or only being able to meet those obligations at an excessive cost. Approved liquid assets include inter alia reserve balances, short-term claims on the GOB, and deposits held at correspondent banks.

The Group's liquidity management process is carried out by the Group's Treasury and monitored by the Asset and Liability Committee (ALCO). The Banks' liquidity management framework is designed to ensure that there are adequate reserves of cash and other liquid securities to satisfy current prospective commitments. The Banks manage liquidity risk by preserving a large base of core deposits from retail and institutional customers, and by maintaining a liquid pool of marketable securities. Contingent funding sources include but are not limited to domestic interbank credit and foreign correspondent bank short-term facilities.

Liquidity requirements to support calls under guarantees are considerably less than the amount of the commitment because the Banks do not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The Banks believe that despite the fact that a substantial portion of customer deposit accounts are on demand and less than one month, diversification of these deposits by number and type of client and the past experience of the Banks would indicate that deposits provide a long-term and stable source of funding.

In respect of BBL, Belize Dollar deposits are substantially locked into the Belizean monetary system due to the Fixed Exchange Rate Regime currently in effect and the fact that there is also exchange control thereby reducing the risk of funds leaving the Belize bank deposit market.

The liquidity risk is further mitigated by the fact that the loan portfolio of the Banks are primarily "on-demand" loans which the Banks are legally entitled to call in the event that liquidity conditions tightened.

The following tables detail the remaining contractual maturity of the non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may require to pay.

At 31 March 2024	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	831.8	76.9	160.9	13.8	1,083.4
Lease liability	-	-	-	0.9	0.9
Other liabilities and payables	10.0	9.9	-	3.8	23.7
Total liabilities	**841.8**	**86.8**	**160.9**	**18.5**	**1,108.0**
Credit-related commitments	**76.2**	**4.7**	**4.8**	**-**	**85.7**
Total liabilities and credit- related commitments	**918.0**	**91.5**	**165.7**	**18.5**	**1,193.7**
Loans to customers	55.4	25.6	71.1	521.9	674.0
Cash and cash equivalents	33.1	-	-	-	33.1
Balances with the Central Bank	219.8	-	-	-	219.8
Due from banks and financial institutions	81.5	43.4	7.0	-	131.9
Other assets and receivables	0.6	0.9	-	-	1.5
Securities	-	112.5	54.5	157.4	324.4
Assets held for managing liquidity risk (undiscounted)	**390.4**	**182.4**	**132.6**	**679.3**	**1,384.7**

At 31 March 2023	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	786.7	71.9	140.9	2.8	1,002.3
Lease liability	-	-	-	0.8	0.8
Other liabilities and payables	3.7	6.7	-	3.8	14.2
Total liabilities	**790.4**	**78.6**	**140.9**	**7.4**	**1,017.3**
Credit-related commitments	**67.6**	**3.3**	**4.1**	**-**	**75.0**
Total liabilities and credit- related commitments	**858.0**	**81.9**	**145.0**	**7.4**	**1,092.3**
Loans to customers	52.8	24.9	67.0	487.1	631.8
Cash and cash equivalents	27.6	-	-	-	27.6
Balances with the Central Bank	253.6	-	-	-	253.6
Due from banks and financial institutions	84.2	28.8	2.0	-	115.0
Other assets and receivables	1.8	0.6	-	-	2.4
Securities	-	97.5	56.8	71.4	225.7
Assets held for managing liquidity risk (undiscounted)	**420.0**	**151.8**	**125.8**	**558.5**	**1,256.1**

Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect the future cash flows or fair values of financial instruments. The Banks' objective in the management of interest rate risk is to reduce the sensitivity of its earnings and overall portfolio value to variations in interest rates. The strategy employed to achieve this involves active pricing of loan and deposit products, increasing market share of loans and funding and changing the mix of products in accordance with market trends.

The Banks' Asset Liability Committees periodically monitor interest rate gaps to estimate the potential impact of changes in net interest income.

The following tables presents interest rate gap analysis at 31 March 2024 and 31 March 2023:

At 31 March 2024	Due on demand $m	Due within 3 months $m	Due between 3 and 12 months $m	Due between 1 and 5 years $m	Due after 5 years $m	Non-repricing $m	Total $m
Rate sensitive assets							
Performing loans (net of allowances)	52.4	17.3	7.9	167.5	313.3	-	558.4
Securities	-	110.8	61.5	124.7	1.4	-	298.4
Interest-bearing deposits	-	11.0	7.0	-	-	19.6	37.6
GOB receivable (net of allowances)	52.1	50.2	-	-	-	-	102.3
Total rate sensitive assets	**104.5**	**189.3**	**76.4**	**292.2**	**314.7**	**19.6**	**996.7**
Rate sensitive liabilities							
Savings accounts	186.1	-	-	-	-	-	186.1
Term deposits	0.2	76.6	160.1	13.4	-	-	250.3
Total rate sensitive liabilities	**186.3**	**76.6**	**160.1**	**13.4**	**-**	**-**	**436.4**
Interest sensitivity gap	**(81.8)**	**112.7**	**(83.7)**	**278.8**	**314.7**	**19.6**	**560.3**

At 31 March 2023	Due on demand $m	Due within 3 months $m	Due between 3 and 12 months $m	Due between 1 and 5 years $m	Due after 5 years $m	Non-repricing $m	Total $m
Rate sensitive assets							
Performing loans (net of allowances)	47.2	6.7	11.3	148.0	273.4	-	486.6
Securities	-	89.6	66.6	54.9	1.2	1.0	213.3
Interest-bearing deposits	16.8	27.6	2.0	-	-	-	46.4
GOB receivable (net of allowances)	-	-	-	-	-	28.2	28.2
Total rate sensitive assets	**64.0**	**123.9**	**79.9**	**202.9**	**274.6**	**29.2**	**774.5**
Rate sensitive liabilities							
Savings accounts	174.0	-	-	-	-	-	174.0
Term deposits	0.3	71.6	139.9	2.7	-	-	214.5
Total rate sensitive liabilities	**174.3**	**71.6**	**139.9**	**2.7**	**-**	**-**	**388.5**
Interest sensitivity gap	**(110.3)**	**52.3**	**(60.0)**	**200.2**	**274.6**	**29.2**	**386.0**

Operational risk management

Operational risk is defined as the risk of losses arising as a result of failures in data processing systems or internal control systems and procedures for banking and other transactions, including losses arising as a result of mistakes or intentional violation by the Group's employees or other persons and force-majeure circumstances.

Control failures with respect to operational risks generally result in damage to the Group's reputation, generate litigation against the Group and cause financial losses.

Operational risk is managed in accordance with internal policies that establish the responsibilities of the governing bodies of the Group and procedures for identification, evaluation, monitoring and control, of operational risks at all levels of the Group's business-processes.

To minimise exposure to operational risk the Group uses the following procedures:

(i) Segregation of responsibilities.
(ii) Appointment of separate departments to manage different aspects of operational risk.
(iii) Security of informational systems.
(iv) Regulation of business processes and the control over them.
(v) Examination of new products and services, including initial implementation of new services on a limited scope.
(vi) Regular training for personnel.
(vii) Gathering and analysing information about losses incurred by the Group due to operational risk.
(viii) Establishing reserves for operational losses – amounts transferred by mistake, accounts receivable, losses from fraudulent operations, etc.

To evaluate operational risk in the Financial Services Division, the Banks use the basic indicator approach. The Banks maintain their equity at a level sufficient to cover the risk using the gross profit of the last three years as an indicator.

Legal risk management

Legal risk is the risk of losses arising due to potential non-compliance with laws, rules, regulations, prescribed practices, or ethical standards in any jurisdiction in which the Group operates.

To decrease legal risk, it is the policy of the Group to comply with all requirements of the relevant supervising bodies including non-mandatory recommendations. The Group employs a team of lawyers and has a system of coordinated internal and external policies which are set out in appropriate documentation.

Subsequent events

Waterloo has evaluated subsequent events for recognition and disclosure through August 26, 2024, which is the date the consolidated financial statements were available to be issued.

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Northpoint Printing Limited