WIHL

Waterloo Investment Holdings Limited

Consolidated Financial Statements

March 31, 2023

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Report of the CEO

The 2023 financial year was a milestone year for Waterloo Investment Holdings Limited ("WIHL") on multiple fronts.

Our most notable event was the acquisition of Caribbean Investment Holdings Limited ("CIHL"), the parent company of Belize Bank Limited, Belize Bank International Limited and Belize Corporate Services Limited which saw a growth in WIHL's balance sheet of close to $1 billion. The merger significantly bolstered WIHL's Financial Services Division. It was also the year the Belize Bank Limited fully integrated the acquisition of Scotia Bank Belize into its operations. This required WIHL to restate its 2022 financial performance by incorporating CIHL's prior year figures.

WIHL also changed its accounting standards from US GAAP to IFRS. Among other effects, this allowed a change in the valuation methodology of our properties, thus moving away from historical cost accounting towards market value. The effect of applying market values has created a revaluation reserve of over $161 million which is included in the non-distributable equity of WIHL at March 31, 2023.

We also consolidated our ownership of Belize Ports Limited and therefore ended the receivership. The consequence of the termination was an $18.5 million gain which is included in non-recurring income as the debts owed by the Port are effectively erased in the WIHL consolidated financial statements. The Port continues to service its obligations to British Caribbean Bank - however it remains in default of its financial debt obligations to Private Investment Limited (a subsidiary of WIHL).

There was a successful settlement of WIHL's claim against the Government of Belize for the forced acquisition of Belize International Services Limited in which WIHL owned 100% of the shares at the time of settlement. This resulted in a $17 million net gain included in non-recurring income.

The Company reported comprehensive income of $278.8 million for the year ended March 31, 2023, when compared to $78.2 million in the year ended March 31, 2022 (which was restated as a consequence of the acquisition of CIHL). Total assets and shareholders' equity at March 31, 2023, increased substantially to $1.968 billion and $940.1 million, respectively, compared to $1.731 billion and $662.3 million as at March 31, 2022.

Latin American Associates Division ("LAA")

Comprehensive profit from our shares in the LAA companies increased from $41.4 million last year to $44.8 million this year, breaking last year's record as best performing year. Prices are now back to pre-2021 prices which means that a repeat of last year's performance in 2023 is not expected. However as is customary, management presells its product via forward contracts so the lag in pricing currently being experienced will be delayed by 6 months.

WIHL received a dividend payment in the amount of $21.0 million from LAA during the period.

Financial Services Division

We are very pleased with our performance in this division over the last year and are actively seeking opportunities for further growth, inclusive of acquisitions. The merger of operations between Scotia and Belize Bank was very successful in acquiring several valuable clients and most importantly invaluable staff to bolster the already strong management team in place within Belize Bank.

Financial Services operating income increased within the division from $18.7 million to $26.8 million. In the current year the division is expected to continue this strong performance through disciplined lending policies that allow for growth in the credit portfolio. Unlike the Turks and Caicos Islands where opportunities exist for considerable growth in the loan portfolio and with the domestic currency being the US dollar, its liquidity is actively placed in a buoyant US treasury market; Belize does not share these same benefits. The economy is relatively stagnant and with few opportunities for bonds and government treasury placements, excess liquidity remains an issue.

Hospitality Division

During the last year, in the Turks and Caicos Islands we successfully completed renovations at the Alexandra Resort over a 5-month period, inclusive of the reappointment of 32 units at the Chelsea building, built a new restaurant Truck Stop, renovated the Black Rock restaurant, Fish Deck restaurant and Dragon restaurant as well as refurbished the pool. Work is currently ongoing with the renovation of the Asu restaurant, Jammin' by the Sea bar and Turquoise restaurant.

In Belize, work continues apace at the Fort George hotel, and all hopes are up for a reopening of the substantially modernized villa wing in November and a de-flagging from the Radisson brand in December. In January the remainder of the hotel will be closed for 18 months where the colonial wing, the tower, the public spaces, back of house and restaurants will all be overhauled and modernized.

Currently Ambergris Cay, which in August was awarded Best Private Island in the Caribbean by the World Travel Awards and currently sits as the number 1 resort on Trip Advisor Traveler Ranked for the Turks and Caicos, is closed for further enhancements inclusive of seven new Monck Beach 1-bedroom suites and two 2-bedroom suites. Work is also being done on the Calico Jack restaurant and two additional couples spa treatment rooms are being built on the water. Ambergris Cay was also placed this year on the list of Conde Nast Traveler Reader's Choice Awards as well as Travel and Leisure's World's Best Awards. We are very proud of our achievement having been open for less than four years.

The Alaia Autograph Collection has seen the best financial improvement over the last year with significant revenue growth. Having been open for only two years revenue growth has more than doubled and it continues to receive accolades for its quality and service standards. This year the spa is being expanded and a banqueting hall is being built to accommodate the ever-increasing demand for group business.

Blue Haven Marina, was completely rebuilt this year and continues to partner with IGY Marinas. The rebuilt marina has attracted significant business from the international yachting community. We are bullish on the future of yachting in the Turks and Caicos Islands and continue to promote the destination as a must stop during the season. We have even attracted charter operators who have conducted business in the high season for a few months at a time. We expect the business to continue to grow over the next few years and have already undertaken work on an expansion to facilitate another 40 slips.

Blue Haven Resort is currently closed for two months, after having a very strong year. It is undergoing room renovations and an overhaul of its lobby, reception area, gym, bar, restaurant, and pool bar. We are consistently ranked first on the island by Review Pro analytics and its performance continues to grow and improve. We have developed a strong following from our guests and are well positioned for further growth and recognition.

Investments Division

The Investments Division reported a loss of $1.7 million compared to a loss of $2.5 million in the prior year, which arises primarily as a result of the Ambergris Cay assessment fees on the lots under WIHL's control. The reduction in losses is due to the returns generated by the treasury management of WIHL's liquidity position.

With the acquisition of CIHL, WIHL took on a further $20.4 million in loan notes due to the principal shareholder. It is expected that a further $10 million in loan notes will be redeemed this year, thus reducing the outstanding amount to $30.4 million, which continues to attract interest at 3%.

Several of the underlying assets that were acquired in relation to these loan notes have been earmarked for development within the next 48 months and are intended to generate significant yields.

Future Development and Outlook

As mentioned, we remain confident in our Financial Services and Hospitality Divisions and are actively seeking development and outright company acquisitions to bolster these Divisions.

One of the projects that we are very excited about launching this upcoming year is 'Idyll East' in the Turks and Caicos Islands. This new development comprises four ocean front villas and seven canal front villas accompanied by a front office, gym, pickle ball court and a spa pavilion. These villas will be 4-bedroom and 5-bedroom homes, that will provide future owners with the opportunity to participate in a managed residence development. Sale prices of the villas start at $4.55 million.

Stewart Howard
Chief Executive Officer

To the Shareholders of Waterloo Investment Holdings Limited

Opinion

We have audited the accompanying 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 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 March 2023 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor´s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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

The key audit matters relevant to the current year were:

- Expected credit loss (ECL).
- IT systems impacting financial reporting.
- Accounting for entities directly acquired in the current year that were owned indirectly in the prior year, and the restatement of the prior year consolidated financial information.
- First-time adoption of IFRS

Our assessment of the level of audit risk regarding these areas is consistent with the prior year.

Expected credit loss:

The Group has recognized $21.2 million of expected credit loss (ECL) as of 31 March 2023. The determination of ECL is based on assumptions that require complex and subjective judgement, specialized skills and knowledge, complex impairment modelling, and a high degree of estimation uncertainty.

We performed the following procedures:

- We reviewed the process for monitoring the loans and investments portfolios, related internal controls used in the process, arrears reporting for identifying and evaluating asset impairment scenarios and the considerations applied in each scenario.
- We tested the propriety and completeness of key data and the accuracy of calculations used in the ECL model.

IT systems that impact financial reporting:

The IT systems used by the Group's Banking and Hospitality Divisions are inherently complex. Together they process volumes of transactions supporting a broad range of banking and guest services that impact a significant part of the Gorup's financial reporting activities. Recognizing the Group's vital reliance on IT, we reviewed the integrity of General IT Controls particularly over system calculations, completeness, and accuracy of financial data, focusing primarily on IT controls over general and user access security at the application and change design and implementation levels.

Accounting for entities directly acquired in the current year that were owned indirectly in the prior year, and the restatement of the prior year consolidated financial information

In fiscal 2023, WIHL directly acquired significant entities it had indirectly owned and controlled up to end of the prior year and included their financial performance for the first time in the Group's consolidated financial results. As part of our audit process, we validated all material transactions and accounting related to the first-time inclusion of the operating results of these entities in the consolidated financial statements and the restatement of prior-year consolidated results as required under IFRS.

First-time adoption of IFRS

The Group's first-time adoption of IFRS did not have a material impact on the operating results or financial positions of Group entities previously reported under US GAAP.

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

September 12, 2023

Consolidated Statements of Comprehensive Income

Year ended March 31	Notes	**2023 $m**	Restated 2022 $m
Financial Services			
Interest income	4	**56.3**	54.9
Interest expense	5	**(8.3)**	(8.1)
Net interest income		**48.0**	46.8
Allowances for loan losses	15	**(1.1)**	(0.7)
Non-interest income	6	**13.7**	14.9
Non-interest expense	7	**(33.8)**	(42.3)
Operating income - Financial Services		**26.8**	18.7
Operating income - Hospitality	8	**12.3**	9.9
Operating loss - Investments	9	**(1.7)**	(2.5)
Operating income - Port	10	**4.8**	-
Total operating income		**42.2**	26.1
Latin American Associates income	18	**46.0**	44.0
Corporate expenses		**(5.2)**	(3.0)
Net income before extraordinary item		**83.0**	67.1
Extraordinary item			
Non-recurring income	29	**35.5**	13.7
Net income		**118.5**	80.8
Other comprehensive (loss) income			
Translation adjustment reported by Associates	18	**(1.2)**	(2.6)
Revaluation surplus	19	**161.5**	-
Comprehensive income		**278.8**	78.2
Net income per ordinary share (basic and diluted)	11	**$0.21**	$0.16

Consolidated Statements of Changes in Shareholders' Equity

	Notes	Share capital $m	Additional paid-in capital $m	Treasury shares $m	Revaluation reserve $m	Accumulated other comprehensive loss $m	Retained earnings $m	Total $m
At March 31, 2022 (Restated)		328.0	105.6	(2.1)	-	(9.6)	240.4	662.3
Net income		-	-	-	-	-	118.5	118.5
Other comprehensive income	18, 19	-	-	-	161.5	(1.2)	-	160.3
Other movements	28	(3.3)	0.2	2.1	-	-	-	(1.0)
At March 31, 2023		**324.7**	**105.8**	**-**	**161.5**	**(10.8)**	**358.9**	**940.1**

At 31 March 2023, The Belize Bank Limited maintained a non-distributable statutory reserve of $7.0 million (2022 - $7.0 million); Belize Bank International Limited maintained a non-distributable statutory reserve of $1.0 million (2022 - $0.8 million); and British Caribbean Bank Limited maintained a non-distributable statutory reserve of $13.0 million (2022 - $13.0 million).

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

Consolidated Balance Sheets

At March 31	Notes	2023 $m	Restated 2022 $m
Assets			
Financial Services			
Cash, cash equivalents and due from banks	12	**96.2**	143.4
Balances with the Central Bank of Belize	13	**253.6**	239.1
Interest-bearing deposits with correspondent banks	12	**46.4**	33.5
Investments - net	14	**213.5**	153.1
Loans - net	15	**504.1**	493.3
Property, plant and equipment - net	16	**24.4**	21.4
Other assets	17	**33.0**	65.2
Total Financial Services assets		**1,171.2**	1,149.0
Latin American Associates			
Cost		**186.3**	165.1
Share profit of the year		**44.1**	41.5
Reserve for audit adjustments		**(0.5)**	(0.5)
Total Latin American Associates assets	18	**229.9**	206.1
Investments			
Current assets		**0.1**	1.2
Loans - net	20	**37.7**	33.5
Other assets	21	**219.6**	157.0
Total Investments assets		**257.4**	191.7
Hospitality			
Cash, cash equivalents and due from banks		**7.7**	5.5
Current assets		**11.7**	11.2
Property, plant and equipment - net	22	**174.6**	52.6
Other assets		**10.1**	12.7
Total Hospitality assets		**204.1**	82.0
Corporate			
Cash, cash equivalents and due from banks		**40.7**	49.3
Current assets		**7.3**	9.9
Property, plant and equipment - net		**0.2**	-
Other assets		**0.5**	-
Associates BISL	23	**-**	17.9
Total Corporate assets		**48.7**	77.1
Port Division			
Current assets		**1.7**	-
Property, plant and equipment - net		**53.8**	13.7
Loans - net		**-**	10.1
Other assets		**1.7**	1.6
Total Port Division assets		**57.2**	25.4
Total assets		**1,968.5**	1,731.3
Liabilities and shareholders' equity			
Financial Services			
Deposits	24	**938.7**	955.1
Current liabilities		**17.0**	15.3
Total Financial Services liabilities		**955.7**	970.4
Investments			
Current liabilities		**3.6**	13.0
Hospitality			
Current liabilities		**25.6**	20.7
Corporate			
Current liabilities	25	**1.1**	13.6
Long-term liabilities	26	**40.4**	51.3
Total Corporate liabilities		**41.5**	64.9
Port Division			
Current liabilities		**2.0**	-
Total liabilities		**1,028.4**	1,069.0
Shareholders' equity			
Share capital	28	**324.7**	328.0
Additional paid-in capital		**105.8**	105.6
Treasury shares	28	**-**	(2.1)
Accumulated other comprehensive loss	18	**(10.8)**	(9.6)
Revaluation reserve	19	**161.5**	-
Retained earnings		**358.9**	240.4
Total shareholders' equity		**940.1**	662.3
Total liabilities and shareholders' equity		**1,968.5**	1,731.3

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

Consolidated Statements of Cash Flows

Year ended March 31	2023 $m	Restated 2022 $m
Cash flows from operating activities		
Net income	**118.5**	80.8
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	**8.1**	7.9
Credit impairment charges	**1.1**	1.8
Undistributed earnings of associates	**(25.0)**	(0.8)
Changes in assets and liabilities:		
Decrease (increase) in other and current assets	**29.1**	(150.9)
(Decrease) increase in other and current liabilities	**(13.3)**	34.4
Net cash generated by (used in) operating activities	**118.5**	(26.8)
Cash flows from investing activities		
Purchase of property, plant and equipment (net)	**(74.8)**	(15.9)
Purchase of investment property	**-**	(20.5)
Proceeds from sale of property, plant and equipment	**-**	0.1
Increase in investments	**(42.7)**	(23.9)
Decrease in loans to customers	**1.1**	67.8
Net cash (used in) generated by investing activities	**(116.4)**	7.6
Cash flows from financing activities		
Decrease in share capital	**(3.3)**	(1.3)
Increase in additional paid-in capital	**0.2**	-
Decrease (increase) in treasury shares	**2.1**	(1.5)
(Decrease) increase in long-term debt	**(10.9)**	49.3
(Decrease) increase in deposits	**(16.4)**	55.1
Net cash (used in) generated by financing activities	**(28.3)**	101.6
Net change in cash, cash equivalents and due from banks	**(26.2)**	82.4
Cash, cash equivalents and due from banks at beginning of year	**470.8**	388.4
Cash, cash equivalents and due from banks at end of year	**444.6**	470.8
Cash - Financial Services	**142.6**	176.9
Balances with CBB - Financial Services	**253.6**	239.1
Cash - Turks and Caicos Collection	**7.7**	5.5
Cash - Corporate	**40.7**	49.3
	444.6	470.8

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 finance, hospitality and port operations 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 thirteen 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, Alexandra Resort and 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 Marina located in Belize City and the Alaia Autograph Collection Resort in San Pedro.

Waterloo also owns and operates the only containerized port in Belize located in Belize City employing several hundred employees offering efficient cargo handling for both imports and exports as well as moving selective bulk goods.

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 and palm seed plantations throughout the entire 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.

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.

Subsequent events

Waterloo has evaluated subsequent events for recognition and disclosure through September 12, 2023, which is the date the consolidated financial statements were available to be issued.

Note 2 - Summary of significant accounting policies

Basis of consolidated financial statements

The consolidated financial statements of Waterloo and its subsidiaries (the Group) have been prepared on a going concern basis in millions ("$m") of United States dollars ("US Dollars" or "$") for the first time in accordance with International Financial Reporting Standards ("IFRS") and related interpretations issued by the International Accounting Standards Board ("IASB"), applying IFRS 1 "First-time adoption of International Financial Reporting Standards. The Group's fiscal 2022 consolidated financial statements were prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") and have been restated to comply with IFRS. The Group's first-time adoption of IFRS did not have a material impact on the operating results or financial positions of Group entities previously reported under US GAAP.

In fiscal 2023, the Group adopted the revaluation model for measuring and recording the value of its properties, as allowed under 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 US dollars. 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 Company's associates are recognized as cumulative translation adjustments through other comprehensive income (loss) 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 statements of income include 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

At acquisition, property, plant, and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over the following periods:

Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of lease
Motor vehicles	4 to 5 years
Furniture, fixtures, and office equipment	3 to 15 years

If a revaluation results in an increase in value, it is credited to other comprehensive income and accumulated in equity under the heading revaluation reserve, unless it represents the reversal of a revaluation decrease on the same asset previously recognized as an expense, in which case it is recognized as income.

A decrease arising because of a revaluation is recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation reserve relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus is transferred directly to retained earnings, or it may be left in equity under the heading revaluation reserve. The transfer to retained earnings is not made through the statement of comprehensive income.

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 statements of income.

Repair and maintenance costs are expensed as incurred. Gains and losses arising on the disposal of property, plant and equipment are included in the consolidated statements 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 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 update if early adoption is permitted. The effect of adoption, if material, is disclosed in the financial statements.

Effective fiscal 2023, the Group adopted the following new and revised standards which did not have a material impact on the financial statements:

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018–2020

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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 2024:

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. Further amendments explain how an entity can identify a material accounting policy, including guidance and international examples to explain and demonstrate the application of the 'four-step materiality 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. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves 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.

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, port services, corporate transactions and in associated companies.

At March 31	**2023 $m**	Restated 2022 $m
Total assets		
Financial Services	**1,171.2**	1,149.0
Latin American Associates	**229.9**	206.1
Investments	**194.3**	191.7
Hospitality	**107.7**	82.0
Port Division	**57.2**	25.4
Corporate	**48.7**	77.1
	1,809.0	1,731.3

Note 4 – Interest income – Financial Services

At March 31	**2023 $m**	Restated 2022 $m
Total assets		
Interest on loans to customers	**47.7**	48.7
Interest on due from Government of Belize	**4.7**	2.2
Interest on deposits with financial institutions	**2.1**	0.4
Interest on securities	**1.8**	3.6
	56.3	54.9

Note 5 – Interest expense - Financial Services

Interest expense comprises interest on customer deposits and amounts to $8.3 million (2022 - $8.1 million).

Note 6 – Non-interest income - Financial Services

Year ended March 31	**2023 $m**	Restated 2022 $m
Foreign exchange income and commissions	**7.2**	5.9
Customer service and letter of credit fees	**4.7**	5.7
Credit card fees	**1.2**	1.0
Other income	**0.6**	1.5
Other financial and related services	**-**	0.8
	13.7	14.9

Note 7 – Non-interest expense – Financial Services

Year ended March 31	**2023 $m**	Restated 2022 $m
Salaries and benefits	**13.5**	14.9
Taxes	**9.4**	8.6
Premises and equipment	**3.8**	3.8
Depreciation expense	**3.1**	4.9
Other expenses	**4.0**	10.1
	33.8	42.3

Note 8 – Operating income – Hospitality

Year ended March 31	**2023 $m**	Restated 2022 $m
Sales	**86.6**	53.5
Operational expense	**(74.3)**	(43.6)
Profit for the year	**12.3**	9.9

Note 9 – Operating loss – Investments

Year ended March 31	**2023 $m**	Restated 2022 $m
Expenses	**(1.7)**	(1.2)
Provisions against investments	**-**	(1.1)
Loss on sale of assets	**-**	(0.2)
	(1.7)	(2.5)

Note 10 – Operating income – Port

Year ended March 31	**2023 $m**	Restated 2022 $m
Sales	**15.8**	-
Operational expense	**(11.0)**	-
Profit for the year	**4.8**	-

The Port's interest obligations to Group entities amounted to $14.1 million for fiscal year 2023 which resulted in a net loss of $9.4 million

Note 11 – Net profit per ordinary share

Basic and diluted net profit per ordinary share have 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	**2023 $m**	Restated 2022 $m
Net profit	**118.5**	80.8
Weighted average number of shares (basic and diluted)	**576,559,034**	494,028,556
Net profit per ordinary share (basic and diluted)	**0.21**	0.16

Note 12 – Cash, cash equivalents and due from banks and financial institutions – Financial Services

Year ended March 31	**2023 $m**	Restated 2022 $m
Cash and cash equivalents	**27.5**	19.0
Due from banks and financial institutions - non interest bearing	**63.6**	103.1
Due from banks and financial institutions - interest bearing	**51.5**	54.8
	142.6	176.9

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

At March 31, 2023, all interbank loans and deposits placed in other banks and financial institutions were current and not impaired.

At March 31, 2023, BBL has utilised $7.0 million (2022 – $6.5 million) of its balances held with other financial institutions to be held as collateral for certain credit lines and as required by the card brands. These particular financial assets are pledged as collateral under terms that are usual and customary for such transactions.

Note 13 – Balances with the Central Bank of Belize – Financial Services

Year ended March 31	**2023 $m**	Restated 2022 $m
Statutory reserve balances	**52.8**	53.2
Operating balance	**200.8**	185.9
	253.6	239.1

BBL is required to maintain an average minimum non-interest bearing deposit balance with the Central Bank of Belize equal to 6.5% (2022 – 6.5%) of their respective average deposit liabilities. At 31 March 2023, the actual amount for BBL was 31.0% (2022 – 29.1%). 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% (2022 – 21.0%) of their average deposit liabilities. At 31 March 2023, the actual amount for BBL was 47.1% (2022 – 47.4%). The statutory reserve balances are not readily available to finance the day to day operations of the banks.

Note 14 – Investments – Financial Services

Investments consist of the following:

At March 31	**2023 $m**	Restated 2022 $m
Securities - at amortised cost	**199.9**	143.9
Securities - at FVOCI	**13.8**	9.0
Securities - at FVTPL	**0.2**	0.3
Less: impairment allowance	**(0.4)**	(0.1)
	213.5	153.1

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

At March 31	**2023 $m**	Restated 2022 $m
Equity securities	**1.1**	0.8
Debt securities	**212.8**	152.4
Stage 1: 12 Month ECL	**(0.4)**	(0.1)
Stage 2: Lifetime ECL	**-**	-
Stage 3: Lifetime ECL	**-**	-
	213.5	153.1

Note 15 – Loans – Financial Services

At March 31	**2023 $m**	Restated 2022 $m
Current loans	**500.1**	481.8
Non-performing loans	**24.8**	35.7
Total loans to customers, net of deferred income	**524.9**	517.5
Less: ECL	**(20.8)**	(24.2)
	504.1	493.3

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

At March 31	**2023 $m**	Restated 2022 $m
Gross loans	**524.9**	517.5
Stage 1: 12 Month ECL	**(3.3)**	(10.7)
Stage 2: Lifetime ECL	**(10.1)**	(1.2)
Stage 3: Lifetime ECL	**(7.4)**	(12.3)
	504.1	493.3

The table below shows the movements in ECL by stage:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL as at 31 March 2022	10.7	1.2	12.3	24.2
ECL on new instruments issued during the year	1.8	1.4	0.8	4.0
Other credit loss movements, repayments, and transfers	(9.2)	7.5	0.3	(1.4)
Charge offs and write offs	-	-	(6.0)	(6.0)
	3.3	**10.1**	**7.4**	**20.8**

The table below reflects outstanding loans by industry classifications.

	2023 $m Amount	**%**	Restated 2022 $m Amount	%
Building and construction	**196.1**	**37.4%**	194.8	37.6%
Other consumer loans	**122.8**	**23.4%**	118.8	23.0%
Real estate	**103.2**	**19.7%**	72.1	13.9%
Distribution	**27.0**	**5.1%**	43.4	8.4%
Agriculture	**23.2**	**4.4%**	20.3	3.9%
Transportation	**16.5**	**3.1%**	15.0	2.9%
Tourism	**14.4**	**2.7%**	25.1	4.9%
Manufacturing	**7.2**	**1.4%**	7.3	1.4%
Professional services	**6.0**	**1.1%**	8.4	1.6%
Utilities	**4.2**	**0.8%**	8.1	1.6%
Marine Products	**3.0**	**0.6%**	3.8	0.7%
Entertainment	**0.5**	**0.1%**	0.3	0.1%
Financial institutions	**0.4**	**0.1%**	0.1	0.0%
Mining and exploration	**0.2**	**0.0%**	-	0.0%
Forestry	**0.2**	**0.0%**	-	0.0%
Government	**-**	**0.0%**	-	0.0%
	524.9	**100.0%**	517.5	100.0%

Note 16 – Property, plant and equipment – Financial Services

Property, plant and equipment of the Group as at 31 March 2023 and 2022 comprised the following:

At March 31	**2023 $m**	Restated 2022 $m
Cost:		
Land and buildings	**24.5**	22.5
Fixtures, fittings and office equipment	**25.4**	30.0
Total cost	**49.9**	52.5
Less: accumulated depreciation	**(25.5)**	(31.1)
	24.4	21.4

Capital expenditures for the year ended March 31, 2023 was $5.6 million (2022 – $3.1 million). Depreciation expense for the year ended March 31, 2023 was $3.2 million (2022 – $4.9 million).

Note 17 – Other assets – Financial Services

Other assets of $33.0 million (2022 - $65.2 million) comprise the following:

At March 31	**2023 $m**	Restated 2022 $m
Receivable from the Government of Belize	**28.2**	35.1
Prepayments	**1.7**	1.8
Inventories	**0.8**	0.5
Other receivables	**1.5**	27.2
Other assets	**0.4**	0.3
Accrued interest on loans, term deposits and corporate notes	**0.4**	0.3
	33.0	65.2

Due from Government of Belize:

At March 31	**2023 $m**	Restated 2022 $m
Amounts receivable from the Government of Belize	**28.7**	35.7
Less: impairment allowance	**(0.5)**	(0.6)
	28.2	35.1

Movements in impairment allowance::

At March 31	**2023 $m**	Restated 2022 $m
At beginning of the year	**(0.6)**	(0.7)
Decrease during the year	**0.1**	0.1
	(0.5)	(0.6)

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.

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 2023.

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, totalling 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 18 – 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 $46.0 million for the year ended March 31, 2023 (2022 - $44.0 million). The share of unrealized translation loss amounted to $1.2 million for the year ended March 31, 2023 (2022 – $2.6 million) and is recognized as a cumulative translation adjustment through other comprehensive loss within shareholders' equity.

At March 31	2023 $m	Restated 2022 $m
Investment in Latin American Associates	**229.9**	206.1

Year ended March 31	2023 $m	Restated 2022 $m
Share of Latin American Associates' earnings:	**46.0**	44.0
Share of Latin American Associates' other comprehensive loss:	**(1.2)**	(2.6)
Total dividends received during the year	**21.0**	43.2

At March 31, 2023, the accumulated undistributed earnings of Latin American Associates included in the consolidated retained earnings of the Group amounted to $204.9 million (2022 - $179.9 million). The accumulated comprehensive loss of Latin American Associates included in the consolidated accumulated other comprehensive loss of the Group at March 31, 2023, amounted to $10.8 million (2022 - $9.6 million).

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

Income statement

Year ended March 31	2023 $m	Restated 2022 $m
Net sales	**1,462.9**	1,319.9
Gross profit	**350.8**	336.6
Income from continuing operations	**232.8**	227.5
Net income	**186.7**	179.7

Balance sheet

At March 31	2023 $m	Restated 2022 $m
Cash and liquid securities	**305.0**	243.7
Current assets	**410.8**	462.7
Long-term investments	**21.8**	24.3
Property, plant and equipment	**375.4**	392.3
Other non-current assets	**21.0**	21.6
Current liabilities	**175.4**	221.7
Non-current liabilities	**32.2**	34.5

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 and the impact is accounted for in the Revaluation Reserve. The appreciation reflects the differences between the carrying amounts of properties of the Group and their current market values as determined by independent professional appraisers.

At March 31	**2023 $m**	2022 $m
Opening balance	**-**	-
Revaluation surplus as recognized in Other Comprehensive Income	**161.5**	-
Closing Balance	**161.5**	-

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 – Loans – Investments

At March 31	**2023 $m**	Restated 2022 $m
Loans (net of unearned income):		
Commercial – real estate	**80.7**	103.7
	80.7	103.7
Allowance for loan losses:		
Commercial – real estate	**(43.0)**	(70.2)
	(43.0)	(70.2)
Loans (net of unearned income and allowance for loan losses):		
Commercial – real estate	**37.7**	33.5
	37.7	33.5

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 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	**2023 $m**	Restated 2022 $m
At April 1, 2022	**70.2**	116.7
Provisions charged to other comprehensive income	**(7.1)**	1.1
Write-offs	**(20.1)**	(47.6)
	43.0	70.2

Note 21 – Other assets – Investments

At March 31	**2023 $m**	Restated 2022 $m
Investments:		
Residential – real estate (note i)	**4.8**	5.6
Commercial – real estate (note ii)	**214.8**	151.8
	219.6	157.4
Allowance for Investment losses:		
Residential – real estate	**-**	(0.1)
Commercial – real estate	**-**	(0.3)
	-	(0.4)
Investments (net of allowance for investment losses):		
Residential – real estate	**4.8**	5.5
Commercial – real estate	**214.8**	151.5
	219.6	157.0

(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.

Note 22 – Property, plant and equipment – Hospitality

At March 31	**2023 $m**	Restated 2022 $m
Cost:		
Land and buildings	**171.3**	52.7
Fixtures, fittings and office equipment	**27.3**	23.4
Total cost	**198.6**	76.1
Less: total accumulated depreciation	**(24.0)**	(23.5)
	174.6	52.6

Total capital expenditure for the year ended March 31, 2023 was $29.5 million (2022 - $5.3 million). Total depreciation expense for the year ended March 31, 2023 was $3.9 million (2022 - $3.0 million). In fiscal year 2023, the Hospitality Division wrote off nil in fixed assets (2022 - $3.2 million).

Note 23 – Associate BISL – Corporate

The Group's wholly owned subsidiary, Enhancement Limited, had a 100% equity investment in Belize International Services Ltd. ('BISL') which provided company and shipping registry services to international clients and other related services.

In 1993, the Government of Belize ('GOB') and Belize International Services Ltd. ('BISL') signed a management agreement for the operation of the ships and international companies' registries. This agreement was extended in 2003 until 2013, and in 2005 extended from 2013 to 2020.

On June 11, 2013, the GOB took control over the operations of both registries, on the basis that it considered the final extension unlawful. BISL sought redress for breach of contract from the Belize courts. On June 30, 2020, the Caribbean Court of Justice ('CCJ') found the Extension Agreement to be constitutional and legally binding. The CCJ found the government had acted in breach of contract, is liable to pay BISL damages and remitted to the Belize Supreme Court the assessment of damages.

On August 22, 2022, the Government of Belize and BISL signed a settlement agreement resolving this matter. Under the terms, the government, subject to National Assembly approvals, paid BISL a total of $38.25 million in full and final settlement of BISL's claim, which BISL then discontinued.

At March 31	**2023 $m**	Restated 2022 $m
Investment in BISL	**-**	17.9

Note 24 – Deposits – Financial Services

At March 31	**2023 $m**	Restated 2022 $m
Demand deposits	**550.3**	530.8
Savings deposits	**174.0**	163.4
Term deposits	**214.4**	260.9
	938.7	955.1

Included in demand deposits at March 31, 2023 were $99.1 million (2022 - $100.0 million) of demand deposits denominated in US dollars, $3.7 million (2022 - $1.2 million) denominated in UK pounds sterling, and nil (2022 - $0.1 million) denominated in Canadian dollars. Included in term deposits at March 31, 2023 were $65.9 million (2022 – $72.8 million) of term deposits denominated in US dollars, nil (2022 - $10.8 million) denominated in UK pounds sterling, and nil (2022 - nil) denominated in Canadian dollars.

As at March 31, 2023, 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 25 – Current liabilities – Corporate

At March 31, 2023, WIHL had $1.1 million in current liabilities (2022 - $13.6 million).

Note 26 – Long-term liabilities – Corporate

At March 31, 2023, WIHL had $40.4 million in long-term liabilities (2022 - $51.3 million).

In the last quarter of fiscal 2022 the Company issued $50.4 million Fixed Rate 3 Per Cent Unsecured Loan Notes to its majority shareholder, Lord Ashcroft, being the majority 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, on December 28, 2022, WIHL repaid $10 million in Loan Notes early.

Note 27 – 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, 2023 amounted to $67.6 million (2022 – $49.4 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 2023 amounted to $7.4 million (2022 – $10.7 million).

(ii) In the ordinary course of business, the Group is subject to pending and threatened legal actions and proceedings. As litigation develop 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 17, 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 17. 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, 2023 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 CBB. As of March 31, 2023, and 2022, 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, 2023, and 2022, 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 28 – Share capital

At March 31	**2023 $m**	2022 $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, 2021	495,504,000	247.7
At March 31, 2022 - Restated	650,553,276	328.0
At March 31, 2023	**649,324,170**	**324.7**

Treasury Shares

The movement of treasury shares, at cost, has been as follows:

	Number	$m
At March 31, 2021	1,338,145	0.6
Purchased	4,132,000	1.5
At March 31, 2022	5,470,145	2.1
Cancelled	(5,470,145)	(2.1)
At March 31, 2023	**-**	**-**

At March 31, 2022 the Company held 5,470,145 in Ordinary Shares in treasury. These shares were cancelled in April 2022.

Note 29 – Non-recurring income

The non-recurring income of $35.5 million is generated due to a $18.5m gain on the consolidation of the Port of Belize; and a $17.0 million gain on the Belize Investment Services Limited settlement.

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 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 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	**2023**	2022
Belize Bank Limited	9%	**19%**	16%
Belize Bank International Limited	10%	**76%**	69%
British Caribbean Bank Limited	11%	**56%**	43%

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 recognised and the Group recognises 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

Lord Ashcroft, KCMG, PC is the Company's ultimate controlling party. At March 31, 2023, the percentage of Lord Ashcroft's shareholdings in the Company was 91.76% (2022 – 94.25%).

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 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, 2023 and 2022.

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 2023, BBL's maximum exposure to credit risk amounted to $781.7 million (2022 – $669.2 million); that of BBIL's amounted to $36.4 million (2022 – $36.0 million); and that of BCB's amounted to $142.2 million (2022 – $161.5 million).

Credit concentration risk

The Group is potentially subject to financial instrument concentration of credit risk through their cash equivalents and credit extensions. 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 real estate, building and construction, and the distribution 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 2023 and 2022, the loan portfolio stratification for the Group was as follows:

		31 March 23			Restated 31 March 22	
Loan outstanding balance range	Amount	Number of borrowers	%	Amount	Number of borrowers	%
Less than $500	1.4	12,524	0.27%	1.6	8,815	0.31%
From $500 to $5,000	45.3	20,953	8.63%	40.9	19,007	7.91%
From $5001 to $10,000	46.3	6,436	8.82%	43.0	6,015	8.32%
From $10,001 to $50,000	120.5	6,065	22.95%	119.2	5,776	23.04%
From $50,001 to $100,000	75.5	1,088	14.39%	78.8	1,136	15.22%
From $100,001 to $250,000	63.4	425	12.07%	65.5	449	12.65%
From $250,001 to $1,000,000	60.4	138	11.51%	53.3	122	10.30%
More than $1,000,000	112.1	37	21.36%	115.1	34	22.25%
	524.9	**47,666**	**100.00%**	**517.4**	**41,354**	**100.00%**

Significant increase in credit risk

The Group continuously monitors all assets subject to ECL's. The Group assesses 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 2023	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 1						
Gross loans	191.3	22.9	90.4	38.3	106.0	448.9
ECL	(1.0)	(0.2)	(1.0)	(0.2)	(0.9)	(3.3)
	190.3	**22.7**	**89.4**	**38.1**	**105.1**	**445.6**
ECL as a % of Gross loans	1%	1%	1%	1%	1%	1%

Restated At 31 March 2022	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 1						
Gross loans	189.0	24.0	86.2	37.8	139.6	476.6
ECL	(0.3)	(0.2)	(0.6)	(2.7)	(6.9)	(10.7)
	188.7	**23.8**	**85.6**	**35.1**	**132.7**	**465.9**
ECL as a % of Gross loans	0%	1%	1%	7%	5%	2%

The ECL's of Stage 1 as a percentage of gross loans balance decreased from 2% to 1%.

At 31 March 2023	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 2						
Gross loans	3.0	0.3	1.3	19.2	28.5	52.3
ECL	(0.1)	(0.1)	(0.1)	(3.5)	(6.3)	(10.1)
	2.9	**0.2**	**1.2**	**15.7**	**22.2**	**42.2**
ECL as a % of Gross loans	3%	0%	8%	18%	22%	19%

Restated At 31 March 2022	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 2						
Gross loans	4.5	0.1	1.4	0.5	1.5	8.0
ECL	(0.3)	-	(0.6)	-	(0.4)	(1.3)
	4.2	**0.1**	**0.8**	**0.5**	**1.1**	**6.7**
ECL as a % of Gross loans	7%	0%	43%	0%	27%	16%

The ECL's of Stage 2 as a percentage of gross loans balance increased from 16% to 19% due largely to an $18.7 million increase in Commercial – real estate loans in Stage 2 with a related ECL of $3.5 million and an increase of $27.0 million in Commercial – other loans in the Stage 2 category with a related increase of $5.9 million in that category's ECL.

At 31 March 2023	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 3						
Gross loans	12.5	2.2	5.7	0.1	3.2	23.7
ECL	(2.3)	(1.2)	(2.7)	-	(1.2)	(7.4)
	10.2	**1.0**	**3.0**	**0.1**	**2.0**	**16.3**
ECL as a % of Gross loans	18%	55%	47%	0%	38%	31%

Restated At 31 March 2022	Residential Mortgage £m	Credit Card £m	Other Consumer $m	Commercial – real estate $m	Commercial – other $m	Total $m
Stage 3						
Gross loans	20.4	1.0	6.1	0.3	5.1	32.9
ECL	(4.0)	(0.9)	(4.7)	(0.1)	(2.5)	(12.2)
	16.4	**0.1**	**1.4**	**0.2**	**2.6**	**20.7**
ECL as a % of Gross loans	20%	90%	77%	33%	49%	37%

The ECL's of Stage 3 as a percentage of the gross loans balance decreased from 37% to 31% reflecting a $9.2 million decrease in Stage 3 loans with a related $4.8 million decrease in the ECL on Stage 3 loans.

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 includes 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 a fixed exchange rate, which is fixed at 2:1 with the US Dollar. 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 5% appreciation of the US dollar against the Belize dollar would result in a gain to BBL of $3.0 million, while the same appreciation in the other currencies against the Belize dollar would on aggregate result in a gain of $0.3 million.

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

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

Restated At 31 March 2022	BZD $m	USD $m	Other currencies $m	Total $m
Financial assets	823.2	292.5	7.6	1,123.3
Non-financial assets	104.3	508.8	-	613.1
Total assets	**927.5**	**801.3**	**7.6**	**1,736.4**
Financial liabilities	797.5	175.2	12.2	984.9
Non-financial liabilities	22.9	61.2	-	84.1
Total liabilities	**820.4**	**236.4**	**12.2**	**1,069.0**
Credit related commitments	57.7	2.4	-	60.1

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 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**

Restated At 31 March 2022	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	732.8	75.4	168.9	16.3	993.4
Lease liability	-	-	-	0.5	0.5
Other liabilities and payables	2.0	9.9	-	3.2	15.1
Total liabilities	**734.8**	**85.3**	**168.9**	**20.0**	**1,009.0**
Credit-related commitments	**49.4**	**2.5**	**8.2**	**(0.1)**	**60.0**
Total liabilities and credit- related commitments	**784.2**	**87.8**	**177.1**	**19.9**	**1,069.0**
Loans to customers	54.0	23.9	65.8	495.0	638.7
Cash and cash equivalents	19.0	-	-	-	19.0
Balances with the Central Bank	239.2	-	-	-	239.2
Due from banks and financial institutions	130.0	23.0	4.9	-	157.9
Other assets and receivables	27.4	0.5	-	-	27.9
Securities	3.0	72.4	37.0	46.1	158.5
Assets held for managing liquidity risk (undiscounted)	**472.6**	**119.8**	**107.7**	**541.1**	**1,241.2**

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' ALCO periodically monitors interest rate gaps to estimate the potential impact of changes in net interest income.

The following table presents interest rate gap analysis at the specified dates.

At 31 March 2023	Due on demand $m	Due within 3 months $m	Due between 3 months 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**

Restated At 31 March 2022	Due on demand $m	Due within 3 months $m	Due between 3 months 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)	43.5	1.7	13.9	133.1	282.0	-	474.2
Securities	-	75.1	35.4	41.4	0.5	-	152.4
Interest-bearing deposits	5.5	23.1	5.0	-	-	-	33.6
GOB receivable (net of allowances)	-	-	-	-	-	35.1	35.1
Total rate sensitive assets	**49.0**	**99.9**	**54.3**	**174.5**	**282.5**	**35.1**	**695.3**
Rate sensitive liabilities							
Savings accounts	163.4	-	-	-	-	-	163.4
Term deposits	0.2	77.0	167.9	15.8	-	-	260.9
Total rate sensitive liabilities	**163.6**	**77.0**	**167.9**	**15.8**	**-**	**-**	**424.3**
Interest sensitivity gap	**(114.6)**	**22.9**	**(113.6)**	**158.7**	**282.5**	**35.1**	**271.0**

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 Banks' employees or other persons and force-majeure circumstances.

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

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

To minimise exposure to operational risk the Banks use 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 Banks 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 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 have a system of coordinated internal and external policies which are set out in appropriate documentation.

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