Caribbean Investment Holdings Limited

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Consolidated Financial Statements

March 31, 2019

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Report of the Chief Executive Officer

I am pleased to report that Caribbean Investment Holdings Limited and its subsidiaries (the "Group") produced net income before tax of USD14.7 million in fiscal 2019. While this represented a decrease of USD13.1 million when compared to fiscal 2018's net income before tax, it is important to note that fiscal 2018's results were unusually high as a result of income recorded related to a judgement debt due from the Government of Belize.

In November 2017, the Caribbean Court of Justice ruled in favour of The Belize Bank Limited ("BBL"), the Group's largest subsidiary, granting permission to BBL to enforce an LCIA Award in the same manner as a judgement or order of the Supreme Court. This favourable ruling had significant positive impact on the net earnings of fiscal 2018 the most significant being an USD11.0 million reduction in impairment provisions recorded on the Government of Belize receivable.

If interest income and impairment provisions related to the Government of Belize receivable are excluded from the financial results for fiscal year 2019 and 2018, net income before taxes would be USD12.9 million for fiscal 2019 and USD10.7 million for fiscal 2018, respectively, accounting for a 20.6% increase in the adjusted and normalized net earnings before taxes. This performance reflects our continued progress after having resolved a substantial legacy portfolio of credit-impaired loans and continued focus on delivering increased operational and financial efficiencies.

Net income per share for the year amounted to USD0.10 in fiscal 2019 which represented a decrease from fiscal 2018's earnings per share of USD 0.21.

The Group's balance sheet remains strong with shareholders' equity of USD 90.1 million at March 31, 2019 compared with USD75.5 million last year.

During the course of fiscal 2018-2019 CIHL achieved a number of important milestones.

Strategy

A significant accomplishment during the course of the year was the formulation of the Group Strategic Plan. The plan envisages the Group becoming a Caribbean Banking and Financial Services Group with representation in selective jurisdictions within the Caribbean and Central America. This strategy is predicated upon a combination of organic growth in Belize and targeted acquisitions. The strategy will allow the Group to achieve economic, product and earnings diversification. The strategy will also allow for consistency and stability of earnings with an overall positive impact on shareholder and market value.

A key component of our strategy moving forward is what management has described as a Mobile First Strategy. The world is in the midst of one of the largest software and hardware revolutions ever witnessed. With processing power, storage and bandwidth increasing exponentially, smartphones and smart tablets are becoming our main personal computers. When customers evaluate financial institutions today they are less focused on interest rates and fees and more concerned about their overall experiences. Everything in their lives as consumers is better than ever, with real-time information being delivered daily via smartphones. Whether it is booking a flight, planning a holiday or shopping online – it all seems easy and seamless. Against this backdrop, within the next 2-3 years our goal is that all of our customers will be able to contact and interact with us via their mobile devices and that it will be one of the main, if not the primary, medium of contact with us

Risk Mitigation

During fiscal 2019 (in collaboration with CAPRESILENCIA) the Group's major subsidiary, BBL, completed its Business Continuity Plan. This plan will assist BBL in executing strategic, tactical and operational continuity in the event of a crisis by ensuring an adequate level of service can be recovered within a minimum timeframe taking into consideration business services and the organisation's reputation.

The Group's Enterprise Risk Management Framework ("ERM") was also implemented during the fiscal period. With the implementation of the ERM the organisation will be able to identify a handful of critical risks that may impact on the achievement of the Group's overarching goals. Focusing on a small number yet critical risks, from a strategic point of view, will not only allow the Group to better manage high potential risks, but it will also increase opportunities to optimise risk and bring value to BBL.

During the course of the year the Group also made significant progress in completing its Succession Plan for senior management. Employee development, career growth and continuing productivity are critical to the continued success of the organisation and in achieving its strategic goals and visions. Towards this end, in 2018 a succession plan was developed with an initial focus on current key leadership positions. The plan involves the identification of key positions (along with the commensurate competencies), the identification of potential successors (both internal and external) and the creation of a Development Plan where deficiencies or gaps exist in the potential successor.

Innovation

It is part of the Group's strategy to update and re-invigorate the manner in which we market our business, "freshen" or add to our current suite of products and services and improve the use of technology in the way in which we serve and deliver products and services to our customers. Against this background, in 2018, the Group took the decision to establish an Innovation Working Group.

The Innovation Working Group is a forum, within which a team of employees explore, collaborate and share creative ideas and perspectives for the development and utilisation of new, innovative opportunities, products and services and social networking tools that will support BBL's strategic initiatives over the next 3 years. To date, the Group has identified several creative ideas which have since been implemented and yielded significant results and benefits to the organisation.

Compliance

From a regulatory standpoint the Group continues to be fully compliant with its regulatory requirements. In accordance with section 80(1) of the Domestic Banks and Financial Institutions Act, 2012, (DBFIA) and Section 32 (1) of the International Banking Act (IBA), the Central Bank of Belize conducted two risk-based onsite examinations on both BBL and Belize Bank International Limited ("BBIL") operations.

The scope of the examinations included a review of the banks compliance with the requirements of the DBFIA, IBA and Central Bank's Practice Directions, corporate governance practices, the Money Laundering and Terrorism (Prevention) Act (MLTPA) and its accompanying guidelines and the banks' own internal policies and procedures.

In general, the Central Bank of Belize found both BBL and BBIL operations to have been conducted in a safe and sound manner, as the banks' corporate governance practices and anti-money laundering (AML) compliance function were found to be adequate, while also being largely compliant with relevant laws. Where deficiencies were identified the banks' management has taken the necessary steps to close and address these gaps.

In August 2018 our external AML-CFT Auditors completed an independent evaluation of the Anti-Money Laundering/Combatting the Financing of Terrorism Compliance Programme for both BBL and BBIL. In reviewing the banks' programmes our external auditors concluded that the banks had implemented adequate policies, procedures, and internal controls that are consistent with regulatory requirements under Belize's AML-CFT regulations. Here again, where deficiencies were identified, management has taken the necessary steps to close these gaps.

Not insignificantly, as at 31 March 2019 both BBL and BBIL were also fully compliant with their reporting obligations under the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standards (CRS).

During that last Fiscal 2018-2019 two (2) international banks operating in Belize were placed in liquidation by the Central Bank of Belize. In contrast, during the same period, the operations of BBIL were significantly strengthened through the deliberate de-marketing of high-risk customers. Although now with a significantly smaller balance sheet BBIL is extremely well capitalised and poised to take advantage of growth opportunities in the investment arena.

Additionally, both BBL and BBIL were able to maintain their correspondent banking relationships. BBL continues to be serviced by Crown Agents and AndCapital Bank while BBIL is adequately served by Crown Agents. Management continues to explore other options and entities to augment the Group's correspondent bank offering.

Outlook

With the international banking sector significantly smaller than in recent years (due to the ongoing liquidation of the two international banks) BBIL will seek to capitalise on this lacuna while at the same time executing on our articulated strategy of building an investment-grade investment portfolio as the regulators and the government decide on the new modality for the international banking sector.

On the domestic front, there will be increased opportunities for BBL to continue the diversification of its loan portfolio and to focus on fee generating activities in the credit card and merchant acquiring arena.

During the course of fiscal 2020, Management will also re-engage the process of identifying investment opportunities in the Financial Services sector in the wider Caribbean as we seek to develop a regional banking franchise.

Lyndon Guiseppi
Chief Executive Officer

27 September 2019

Statement of management responsibilities

Management has prepared and is responsible for the consolidated financial statements and related notes of Caribbean Investment Holdings Limited and its subsidiaries (together the "Group"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and necessarily include amounts based on judgements and estimates by Management.

The Group maintains internal accounting control systems and related policies and procedures designed to provide reasonable assurance that assets are safeguarded, that transactions are executed in accordance with Management's authorisation and properly recorded, and that accounting records may be relied upon for the preparation of consolidated financial statements and other financial information. The system contains self-monitoring mechanisms that allow Management to be reasonably confident that controls, as well as the Group's administrative procedures and internal reporting requirements, operate effectively. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error or the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to the preparation of financial statements.

Lyndon Guiseppi
Chief Executive Officer

Michael Coye
Chief Financial Officer

27 September 2019

Changes to corporate governance regime – introduction from the Chair

From 28 September 2018 all AIM-quoted companies are required to comply with a recognised corporate governance code. The Board of Directors (the "Board") of Caribbean Investment Holdings Limited (the "Company") have chosen to adopt the Quoted Companies Alliance ("QCA") Corporate Governance Code (the "QCA Code") published in April 2018 for this purpose. The QCA Code was developed by the QCA in consultation with a number of significant institutional small company investors, as an alternative governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective, and entrepreneurial manner for the benefit of all shareholders over the longer term". The Board believes that high standards of corporate governance translate to high standards of corporate performance and are therefore a priority. Details of how the Company addresses key governance principles defined in the QCA Code are set out in this Statement and the Investor Information section of the Company's website (www.cihltd.co).

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Company's overarching strategy is to establish a Caribbean Banking and Financial Services Group with appropriate representation in selective jurisdictions within the Caribbean and Central America.

This strategy will be accomplished via a combination of organic growth in the Company's existing markets and targeted selective acquisitions outside of current operating jurisdictions.

The strategy will allow the Company to achieve economic, product and earnings diversification by establishing a presence in economies with different economic drivers; albeit in markets with similar legal and regulatory frameworks which the Group is already familiar with.

Over the medium term, this strategy will also allow for consistency and stability of earnings with an overall positive impact on shareholder and market value.

Over the past five years, the Company has been able to restructure its banking businesses, so as to maintain its position as a market leader in the banking sector in Belize. The Company now plans to leverage the expertise and experience garnered, in jurisdictions with similar characteristics and traits.

Following on from the global financial crisis and in order to deal with deteriorating credit quality and increasing non-performing loans in Belize, the Company has been able to put together a multi-disciplinary, multi-jurisdictional management team which has addressed certain fundamental weaknesses in credit quality, AML-CFT related issues and operating systems and procedures.

The Company's management team has also been able to put systems in place, which have resulted in a significant improvement in credit quality and operating and informational systems, and an overall improvement in capital adequacy. From having one of the highest non-performing loan ratios and lowest capital adequacy ratios in the sector, the Company's Belizean domestic banking subsidiary, is today one of the strongest banks in the jurisdiction.

As the Company consolidates its position in Belize and as its capital and liquidity levels further improve, the Company believes that the opportunities for the deployment of its capital and excess liquidity in the jurisdiction will become fewer; especially given the Company's conservative risk profile and the limited investment opportunities available. The Company believes that in order to maximise shareholder value, it is imperative for the Company to look outside of its traditional market for opportunities to grow and expand the Company's business operations.

As the Company seeks to expand its operations, a survey of the Eastern Caribbean suggests that the conditions, which led to the deterioration of the Company's Belizean portfolio (and which have now been reversed), are also present in some of these jurisdictions. The Company believes that it possesses the management and technical expertise to capitalise on this emerging opportunity.

Because of increasing non-performing loan ratios, the imposition of increasing capital requirements, and stricter regulatory controls, a number of smaller banks in the Eastern and Northern Caribbean are being forced to seek out strategic alliances or capital infusions from larger and stronger players in the wider industry. Given the experience garnered over recent years, the Company believes that this phenomenon not only creates a unique opportunity but also dovetails in with the Company's need to find alternative investment opportunities for the deployment of capital; especially recognising the limitations of operating in only one jurisdiction, as the Company currently does.

The success of the Company's strategy will depend, in part, on the Company's ability to continue to retain, motivate, develop, and attract employees with the skills and experience to assist the Company in meeting and addressing these challenges, and in making the best of the opportunities which present themselves in the Northern and Eastern Caribbean.

The Company believes that it is well positioned to leverage its existing management and employee base; which possesses an in depth understanding of the regional economies and the banking sector within the targeted jurisdictions; with the current management team having a combined aggregate of over 75 years of experience working in the territories of the Eastern and Northern Caribbean.

In order to be successful with its strategy in both its existing and targeted jurisdictions, the Company must be trusted. Corporate social responsibility is therefore central to the Company's efforts to win over and maintain the confidence and respect of its stakeholders. In recognition of this responsibility, the Company is actively engaged with, and supports, charities and community based organisations.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company recognises the importance of providing shareholders with clear and transparent information on its activities, strategy and financial position. The Company also seeks, wherever possible, to build a relationship of mutual understanding with both its institutional and private investors and encourages engagement with all shareholders including two-way communications with institutional investors, analysts and private investors. The Company responds to communications from shareholders and ensures that their views are communicated fully to the Board.

Whilst the Company is not required by applicable law to hold shareholder meetings, the Company and in particular the Chairman, Chief Executive Officer and Company Secretary, regularly engage on a one on one basis with shareholders, in order to listen to their views, and to try and understand and address any issues.

The Company regards the Annual Report and company announcements as important methods of communicating with shareholders. The Company's contact details are listed on the Company's website and on all announcements released via the London Stock Exchange's RNS and the Bermuda Stock Exchange, should shareholders wish to communicate with the Company. The Company Secretary is the main point of contact for such matters. The Company's Annual Reports and all company announcements can also be found in the Investor Information section of the Company's website (www.cihltd.co).

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long- term success.

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups, including its employees, partners, customers and regulatory authorities. It is fully committed to assisting in the development of the people and communities, which will serve as part of the Company's strategy and business model.

Supporting youth, the arts and culture, sports, community-based organisations, and providing aid in times of disaster; are just a few of the many ways in which the Company fulfils its corporate social responsibility.

Sponsorships and Partnership with Charities and Community Organisations

Over the past 25 years, the Company has pioneered a number of initiatives, which have yielded significant benefits especially to the under-privileged. The Company is actively engaged with, and supports, charities and community-based organisations. In conjunction with a charitable enterprise, which assists children infected with HIV and AIDS and the building of low-income housing for families, the Company routinely builds homes for families that are homeless or have lost their home through natural disasters. In addition, the Company provides assistance to the elderly, homeless and poor by routinely partnering with non-profit organisations and NGOs, which provide breakfast and lunch, as well as clothing, to the needy and special needs groups.

Recognising the many challenges that many face for educational advancement, the Company has taken on the responsibility of providing 15-20 scholarships annually to academically qualified students, who are unable to finance their high school and junior college educations. The Company has to-date provided in excess of 100 scholarships to deserving students via this medium. The Company has also provided the opportunity for some of these students to intern with the Company during their vacations.

Staff Initiatives

Management engages closely with staff in order to determine their needs; and initiatives are implemented where these benefit the majority of the Company's employees. On an ongoing basis, staff members are surveyed to provide management with feedback on events which the organisation hosts or which are being contemplated. For the more significant initiatives, the Company has established a Joint-Staff Management Committee, which is consulted on major activities that the Company is planning.

More recently, in order to solicit broader and more immediate feedback, the Company has identified a cross section of employees from various departments, and charged them with the responsibility of reviewing the Company's products and services along with their associated processes; with a view to reducing bureaucracy; streamlining their delivery, and the making of suggestions as to ways in which the Company can better service its clients.

Staff Training

The Company routinely arranges training programs (including specialist training) for all staff members; covering the full gamut of positions within the organisation. Staff are required to participate in these training programs and are also encouraged to identify areas and ways in which to upgrade their skills. Whenever programs are identified which are of interest to the Company but which may not be available internally, then the Company offers scholarships or discounted loans to enable staff to participate in these programs.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Audit, risk and internal control

Financial controls

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Group Risk Unit, the Executive Management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Committee meets at least monthly to review ongoing operational and financial performance, discuss budgets and forecasts and new risks.

The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company including treasury, tax and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls, including the review of results of work performed by the Company's controls function. There are comprehensive procedures for budgeting and planning; for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. The budgeting process begins with the Balance Sheet and an identification of the instruments or assets, which are already generating revenues and cash flows. This serves as the basis for the budget going forward as new volumes are forecasted. Taking into account the details of each instrument or asset (size, maturity profile and interest rate), reasonable projections can then be made regarding projected or forecasted profits. Monthly results are then reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.

The Company has a consistent system of prior appraisal for investment and development projects, overseen by the Chief Executive Officer and Chief Financial Officer, with defined financial controls and procedures with which each business area is required to comply in order to be granted funds for investment and development. With specific reference to the capital budgeting process, departmental heads are required to submit estimates of proposed capital expenditure to a management budget committee for evaluation and consideration. These projects are then evaluated from a financial perspective either utilising the internal rate of return methodology or the pay-back period approach, to ensure that they generate certain minimum threshold hurdles and returns. Projects which demonstrate the highest internal rate of return or which are considered mandatory due to regulatory imperatives are given priority in terms of funding in any given fiscal period, whilst others which do not meet these minimum requirements are parked for future consideration. Regular post-investment reviews are also carried out to check the delivered return on investment.

Non-financial controls

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to the Company's business. To continue the improvement in this area, the Board continuously reviews existing controls to ensure the Company remains compliant with all required regulations.

The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Company. The principal elements of the Company's internal control system include:

1. Close management of the day-to-day activities of the Company by the Executive Committee;
2. An organisational structure with defined levels of responsibility, which promotes sound decision-making and rapid implementation while minimising risks;
3. A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
4. Detailed monthly reporting of performance against budget;
5. Central control over key areas such as capital expenditure authorisation and banking facilities, and
6. A Group Chief Risk Officer to oversee all internal risks and to control policies and processes.

The Company continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available. The Company's Internal Audit Manager carries out annual reviews of each business unit to ensure they are achieving a Company-wide minimum control standard, the results of which are reported back to the Board. They also investigate any significant breaches of control and recommend how to prevent such breaches in future. As part of the Company's review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate social responsibility (including ethical trading and employment diversity) have been assessed. The key elements of those non-financial controls are set out below.

Standards and policies

The Board is committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies. Key examples of such standards and policies include the "Code of Conduct", the "AML/CFT Policy", and the "Loans to Insiders Policy". Operating procedures for control of departments are clearly documented and set out in operations manuals. Senior managers are responsible for the implementation of these procedures and compliance is monitored.

Approval process

All contracts and loans are subject to an internal review and approval process, and are, depending on the monetary value involved, signed off by the applicable head of department, branch manager, or Executive Committee. The terms of all contracts and loans are reviewed by the Company's Legal Department. All contracts and loans involving a monetary value of more than USD 10 million are required to be reviewed and approved by the Board and are also reviewed by the Company's Senior Legal Counsel.

Re-assessment

The Company has a business risk policy with business continuity plans to address key risks that have an immediate impact. Risks facing the business are re-assessed, and potential mitigating actions are considered and implemented to help protect against those risks. Each business unit and branch have a weekly and monthly checklist that reviews key performance indicators and other business measures to ensure alignment to the plans.

Code of Conduct

The Company's Code of Conduct includes guidance for ethical employee conduct (including business integrity, anti-bribery, and gifts). Copies of the Code are available to all employees in the Company and are part of the original documents that employees are required to review and sign when they are on-boarded.

Legal controls

The Company has a Legal Department comprised of three qualified lawyers and include an Independent Company Secretary and Senior General Counsel. The lawyers in this Department advise on all legal matters impacting the Company's business and ensure that legal risk is properly managed and legal rigour is enforced in all its business negotiations. The legal team seeks advice from external legal counsel where appropriate.

Risk controls

The Financial Risk Management overview in Note 26 of the Company's Report and Accounts for the year ended 31 March 2019 details the risks to the Company's business, how these are mitigated, and the change in the identified risk over the last reporting period. The Note explains the role of the Group Risk Unit and the principal risks to which the business of the Company is exposed, including Credit Risk; Credit Concentration Risk; Market Risk; Currency Risk; Liquidity Risk; Interest Rate Risk; Operational Risk Management, and Legal Risk Management.

The Board considers risk to the business at every Board meeting and the Company's Risk Report is reviewed at each of the quarterly Board meetings. The Company formally reviews and documents the principal risks to the business at least annually.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board's principal duty is to create and grow shareholder value by monitoring and reviewing strategy and its development, the financial and operational performance of the Company and risk management. Furthermore, the Board expends significant time and focus on matters that may affect the future of the organisation, environments, regions, jurisdictions and communities in which the Company operates or looks to operate. The Board believes that it is essential to support the Company's executive management teams to find the balance required between short-term requirements and mid to longer-term growth objectives.

The Board comprises an Independent Non-Executive Chairman (Ms Cheryl Jones), five Non-Executive Directors (four of which are considered independent, namely Dr. Euric Bobb, Dr. Ydahlia Metzgen, Mr. Peter Gaze, and Mrs Geraldine Davis-Young) and two Executive Directors. The Board members understand that they have collective responsibility and a legal obligation to promote the interests of the Company, and that they are collectively responsible for defining and maintaining corporate governance arrangements. The Board is responsible for overseeing the management of the Company's strategy, reviewing trading performance, ensuring adequate funding, maintaining a system of internal controls and risk assessment, ensuring good corporate governance and reporting to shareholders. The Board meets on a quarterly schedule, or more frequently as required for matters reserved for the Board.

The Board is satisfied that the Company's Directors have an appropriate balance between independence, thorough knowledge of the industry and Company, as well as jurisdictional expertise and regional understanding required to enable them to discharge their duties and responsibilities effectively. With representation on the Board of 3 female Directors, the Board is fully cognizant of the need for and value in having gender diversity at the highest decision-making level of the organisation.

The Board has a formal schedule of matters assigned to their oversight responsibilities and specifically reserved for their decisions and is supported by the Audit and Remuneration Committees. The Board is ultimately responsible for evaluating the performance of the Company against management's plan and approving all remuneration or benefits associated with the Executive Director or his direct reports. The Board has a key responsibility in appointing, and when required, removing Executive Directors.

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. The Chairman's primary role is ensuring that the Board functions properly, meets their obligations, and has the correct organisation and mechanisms in place to work effectively. The Chief Executive Officer's primary role is to provide overall leadership for the business, develop the overall strategic business plans as well as future strategies for expansion, and communicate this vision for these plans to the Company. The Chief Executive Officer is responsible for presenting these plans to the Board for discussion, vetting and approval as well as ensuring these plans have a proper organisational structure and effective implementation, and the results of which are monitored and reported to the Board to ensure financial and operational objectives are attained.

The Chairman assesses the individual contribution of each of the members of the Board to ensure a well—balanced and committed team. Over the next 12 months, the Board will assess its performance as a unit to ensure the members collectively function in an efficient and productive manner. In addition, a review of succession planning will be undertaken.

The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the period are set out below:

	Board	Audit Committee	Remuneration Committee
Cheryl Jones	9 (9)	4 (4)	2 (2)
Euric Bobb	7 (9)	4 (4)	2 (2)
Peter Gaze	9 (9)	2 (2)	
Lyndon Guiseppi	9 (9)		
Ydahlia Metzgen	8 (9)		
Philip Osborne	9 (9)		
Geraldine Davis Young	7 (9)		

Figures in brackets indicate the maximum number of meetings the individual could attend in the period.

Board tenure as at March 2019

Cheryl Jones	16 years, 4 months
Euric Bobb	10 years, 9 months
Peter Gaze	12 years, 6 months
Lyndon Guiseppi	11 years, 1 month
Ydahlia Metzgen	5 years, 2 months
Philip Osborne	25 years, 11 months
Geraldine Davis-Young	1 year, 4 months

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board

The Board is satisfied that between the Directors, they have an effective and appropriate balance of skills and experience, including industry knowledge, legal and regulatory skills, corporate management and finance experience, regional and jurisdictional knowledge and international business experience. Full biographical details for each Director are provided under the Directors and Officers section of the Company's website (www.cihltd.co).

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up-to-date on key issues and developments pertaining to the Group as well as the Directors' responsibilities as members of the Board. The Board participates in ongoing self-training in corporate governance best practices; current AML/CFT requirements; and new legal and emerging regulatory requirements.

The number of Directors on the Board may neither exceed 15 nor be fewer than 2 in number, and each Director is appointed by a resolution of the members of the Company or a resolution of the Board. The Directors are not subject to retirement by rotation unless the Company by resolution determines to implement retirement by rotation on an annual basis. Subject to the passing of a resolution to implement retirement by rotation, each Director holds office until his term of office is ended by his resignation or removal. A Director may hold any office or position in the Company in conjunction with their office of Director. The Memorandum and Articles of Association of the Company provide for neither an age limit for Directors nor any requirement that Directors hold shares in the Company.

The Board recognises that it is responsible for ensuring that internal control processes are in place. These controls are designed to manage performance and mitigate risk of failure to achieve business objectives. The principal risks faced by the Company are addressed by the Board supported by a group of appropriately qualified professional advisers. These internal controls include an Audit Committee, Remuneration Committee, an internal audit function, established terms of reference for the Board and their committees, matters reserved for the Board, monthly executive committee meetings and quarterly review of the Company's Risk Report. The Board reserves the right to establish ad hoc sub-committees as business conditions warrant.

Committees of the Board

Audit Committee

The Board has an Audit Committee, whose responsibilities include oversight of the integrity of the Company's financial statements, compliance with legal and regulatory requirements and the independent auditor's qualifications and independence. The primary responsibilities of the Committee include a review and recommendation to the Board of the external audit and financial calendars, the examination and review of internal financial controls and accounting policies, and the review and recommendation of the form and content of financial reports and statements, plus the related accounting practices and judgments.

The Committee also reviews the independence, objectivity, performance, and effectiveness of the external auditor. The Committee meets at least twice each year to review the audit plan and the year-end audit outcome as well as the nature of any non-audit services provided by them. The Audit Committee reports its findings to the Board. This means identifying any matters on which it considers action or improvement is needed. The Committee operates under written Terms of Reference and meets at least twice per year. During the financial year ended 31 March 2019 it met on four occasions. The Audit Committee comprises of three Non-Executive Directors: Dr. Euric Bobb (Chair), Ms Cheryl Jones; and Mr. Peter Gaze.

Remuneration Committee

The Remuneration Committee's responsibility is to review the remuneration of Company executives and their direct reports against financial performance requirements. The Remuneration Committee comprises two Directors: Ms. Cheryl Jones and Dr. Euric Bobb.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

On an ongoing basis the Company monitors and reviews corporate performance against plans and Board responsibilities against calendars and expectations, and as a Non-Executive group discusses gaps and suggested improvements in performance. The Company is also mindful of their succession planning for the Board and continues to maintain a network and communications with individuals for future consideration.

An internal evaluation of the Board Committees against their assigned responsibilities is undertaken on an annual basis.

The Chairman assesses the individual contributions of each of the members of the team to ensure that:

- their contribution is relevant and effective
- that they are committed
- where relevant, they have maintained their independence

Principle 8: Promote a culture that is based on ethical values and behaviours

Good corporate governance is regarded as critical to the overall success of the Company with a proper separation of duties for achieving the Company's strategic goals, and the Board is unreservedly committed to exercising ethical and effective leadership.

Against this background, the Board of the Company strives to cultivate and exhibit the characteristics of integrity, competence, responsibility, accountability, fairness and transparency in the Company's dealings.

In keeping with its responsibilities, the Board reviews the Company's mission and vision statement on an annual basis to ensure that the Board's commitment to building and sustaining an ethical organisation is adequately reflected in these statements.

Management is responsible for supporting the Board in ensuring effective oversight of, and reporting on, organisational ethics.

The Company's Chief Executive Officer is specifically charged with the responsibility of supporting the Board and moreover, is mandated to ensure that the Company's Code of Conduct:

- Addresses the key ethical risks of the Company;
- Provides for arrangements that familiarise employees with the ethical standards set by the Board and which are expected of them, and
- Clearly states the consequences of non-compliance with the requirements of the Code

Conflicts of interest; client privacy and data protection; the requirements and criteria for fitness and propriety, and the mechanism for the reporting of material breaches, are all addressed in the Code of Conduct.

The Board aims to lead by example and do what is in the best interest of the Company. The Company's culture is highly collaborative in what remains a relatively flat organisation, with employees from across the business encouraged to work closely together, value the contribution that each person makes and always act in the best interests of the customer.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Board program

The Board meets at least eight times each year and sets direction for the Company through a formal schedule of matters reserved for their decision. Prior to the start of each financial year, a schedule of dates for that year's principal Board meetings is compiled to align as far as reasonably practicable with the Company's financial calendar on the one hand, and its trading calendar on the other, while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required. During the financial year to 31 March 2019, the Board met for nine meetings. The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management.

Roles of the Board, Chairman and Chief Executive Officer

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall group strategy; approval of major investments (whether capital expenditure or operating expenditure); approval of the annual and interim results; annual budgets; dividend policy; Board structure, and approval of contracts and loans concerning the Company or any subsidiary company involving a monetary value of more than USD10 million. The Board monitors the exposure to key business risks and reviews the strategic direction of all operating as well as non-operating subsidiaries, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction.

The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on the Company's headline performance against the agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level attend Board meetings where appropriate to present business updates.

Executive Team

The Executive Team consists of Lyndon Guiseppi (Chief Executive Officer), Philip Osborne (Company Secretary), Filippo Alario (Chief Risk Officer), Jose Cardona (Chief Technology Officer), Martin Marshalleck (Chief Operating Officer), Michael Coye (Chief Financial Officer), Jacqueline Marshalleck (Senior Legal Counsel) and Abner Peralta (Head of Corporate and Regulatory Compliance). The Executive Team operates with input from the Company's subsidiary directors. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Company's businesses and the Company's overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. The Executive Team also manages and oversees key risks, management development and corporate responsibility programs. The Chief Executive Officer reports to the Board on issues, progress and recommendations for change. The controls applied by the Executive Team to financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

Board committees

The Board is supported by the Audit and Remuneration Committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The Terms of Reference of each Committee are available on the Company's website (www.cihltd.co).

The Remuneration Committee comprises of Cheryl Jones and Dr. Euric Bobb and meets at least twice a year and at such other times as the Chairman of the Committee requires. The Committee considers all material elements of the remuneration policy to ensure that remuneration is sufficient to attract, retain and motivate Executive Directors and senior management of the quality required to manage the Company successfully. This is performed with reference to independent remuneration research and professional advice. The Committee recommends to the Board the framework for the remuneration packages of the individual Executive Directors. The Board is then responsible for implementing the recommendations although no Director is involved in deciding his own remuneration. The Directors are not permitted to vote on their own terms and conditions of remuneration.

The Audit Committee comprises Dr. Euric Bobb (Chairman), Cheryl Jones, and Peter Gaze and meets at least quarterly and at such other times as the Chairman of the Committee requires. The external auditors attend the meeting where the annual report is reviewed and discussed. The Committee is responsible for reviewing a wide range of matters, including half-year and annual results before their submission to the Board, and for monitoring the controls that are in force to ensure the integrity of information reported to shareholders. The Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors. The Audit Committee is further responsible for ensuring that the ethical and compliance commitments of management and employees are understood throughout the Group.

By providing oversight to the Group's internal audit function, the Audit Committee is also responsible for evaluating the effectiveness of the Company's internal controls, including internal financial controls.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders via one-to-one communications, social media and meetings with institutional and private investor shareholders, and also through the Annual Report and Accounts, the full-year and half-year announcements, and other company announcements. The Company Secretary's office remains a key part of encouraging shareholder interaction and listening to feedback. A range of corporate information (including all Company announcements and communications) is also available to shareholders and the public on the Company's corporate website (www.cihltd.co).

The Board receives regular updates on the views of shareholders from the Chairman, Chief Executive Officer; the Company Secretary; the Company's Nominated Adviser, Cenkos Securities plc, and the Company's Listing Sponsor in Bermuda, Estera Securities (Bermuda) Limited.

The Company completes regular employee surveys to maintain an open dialogue with employees and has introduced new functionality on its websites to collate customer feedback and uses this to improve service. Customer ratings and team retention remain KPIs for the Company.

Issued on the 27 September 2019

CARIBBEAN INVESTMENT HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Caribbean Investment Holdings Limited and its subsidiaries (the Group), which comprises the statement of financial position as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the financial statements, comprising a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our opinion.

Key audit matters

Loan loss allowance for loans to customers

We focused on this matter due to the significance of the loans to customers balances and in particular the significance of judgments and estimates required for calculation of the related loan loss allowance.

Furthermore, in 2018 the Group implemented IFRS 9. This standard requires recognition of expected credit losses ("ECL") rather than losses already incurred. It triggered changes in the models used for the measurement of loans impairment. The new models increased the impairment allowance in order to recognise also part of the ECLs that will arise in the future.

Collective assessment of ECL is based on models, which use internally developed risk metrics assigned to the balances. Individual assessment of ECL is based on models which use expected future cash flow related to individual balances under different scenarios. The design of and inputs to the models are subject to management judgement.

Note 3 (c) "Critical Accounting Estimates and Judgments in Applying Accounting Policies", Note 26 "Financial Risk Management" to the consolidated financial statements provide detailed information on the loan loss allowance for loans to customers.

How our audit addressed the key audit matter over loan loss allowance for loans to customers

Considering the changes caused by implementation of IFRS 9, we assessed the policies that the Group applied for the development of the new ECL models and examined their consistency with the requirements of IFRS 9. We also verified the completeness of the credit risk disclosures newly required by the financial reporting standards.

Our current year work analysed both at the application of these new models and procedures at 31 March 2018 and 1 April 2018. We examined that the calculation as at 1 April 2018 were also appropriate and were appropriately accounted for in the Consolidated Statement of Changes in Equity as at 1 April 2018 in accordance with IFRS 9.

We tested all significant loans (top 10 loans) and other loans to customers (on sample basis) with individual assessment of ECL. We tested whether the default event had been identified in a timely manner, analysed adequacy of scenarios used and their likelihood of occurence, re-performed discounted cash flow calculations, examined the expected future cash flows used by management, challenged the assumptions, including valuation of collateral and timing of cash flows, compared management estimates to external evidence (where available).

We assessed the basis and operations of loan loss allowance models for loans and formed our own judgment as to whether or not the loan loss allowance was appropriate.

We performed various types of analytical procedures over the adequacy of loan loss allowance for loans to customers.

The system of allocation of loans into the three stages defined by IFRS 9 is essential for the measurement of ECL and setting aside loan loss allowance. Hence we assessed the policies applied by the Group in this area and observed that they are adequate.

Impairment allowance on due from Government of Belize (GOB)

We focused on this matter due to the significance of the balances due from GOB and in particular the significance of judgments and estimates required for calculation of the related impairment loss allowance.

How our audit addressed the key audit matter over impairment allowance on due from GOB

We analysed the adequacy of scenarios used and their likelihood of occurence, re-performed discounted cash flow calculations, examined the expected future cash flows used by management, challenged the assumptions and timing of cash flows, compared management estimates to external evidence (where available).

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's 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 does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

Moore Stephens Magaña LLP
Chartered Accountants
Belize City, Belize

27 September 2019

Consolidated statement of comprehensive income

Expressed in millions of US dollars except where otherwise stated

Year ended 31 March	Notes	2019 $m	2018 $m
Financial Services			
Interest income	6	**33.6**	39.7
Interest expense	7	**(5.5)**	(5.6)
Net interest income		**28.1**	34.1
Credit (charge) of allowances for impairment of loans to customers	15	**0.3**	(3.9)
Net interest income after allowance for loan losses		**28.4**	30.2
Non-interest income	8	**8.5**	19.2
Non-interest expense	9	**(19.0)**	(17.9)
Operating income - Financial Services		**17.9**	31.5
Corporate			
Corporate income		**1.1**	1.3
Corporate expenses		**(4.3)**	(5.0)
Operating loss - Corporate		**(3.2)**	(3.7)
Net income before tax		**14.7**	27.8
Taxation		**(4.0)**	(7.2)
Net income after tax and before other comprehensive income		**10.7**	**20.6**
Other comprehensive income:			
Net gain on financial assets at FVOCI		**0.1**	-
Total comprehensive income		**10.8**	20.6
Earnings per ordinary share (basic and diluted)	10	**0.11**	0.21

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

Consolidated statement of changes in shareholders' equity

Expressed in millions of US dollars except where otherwise stated

	Share capital $m	Additional paid-in capital $m	Treasury shares $m	Statutory reserve $m	Retained earnings $m	Total $m
As at 01 April 2017	0.6	52.8	(21.7)	2.7	20.8	55.2
Accumulated other comprehensive loss	-	-	-	-	(0.1)	(0.1)
Acquisition of shares in capital reorganisation	(0.1)	-	-	-	-	(0.1)
Transfer to statutory reserve	-	-	-	4.3	(4.3)	-
Dividends	-	-	-	-	(0.1)	(0.1)
Net income	-	-	-	-	20.6	20.6
As at 31 March 2018	**0.5**	**52.8**	**(21.7)**	**7.0**	**36.9**	**75.5**
As at 01 April 2018 as previously reported	0.5	52.8	(21.7)	-	36.9	75.5
Net impact of adopting IFRS 9 (Note 3(d))	-	-	-	-	3.8	3.8
Restated opening balance under IFRS 9	**0.5**	**52.8**	**(21.7)**	**-**	**40.7**	**79.3**
Accumulated other comprehensive income	-	-	-	-	0.1	0.1
Net income	-	-	-	-	10.7	10.7
As at 31 March 2019	0.5	52.8	(21.7)	-	51.5	90.1

At 31 March 2019, The Belize Bank Limited maintained a non-distributable statutory reserve of USD7.0 million (2018 - USD7.0 million and 2017 – USD 2.7 million). Belize Bank International Limited did not have non-distributable statutory reserves.

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

Consolidated statement of financial position

Expressed in millions of US dollars except where otherwise stated

At 31 March	Notes	2019 $m	2018 $m	2017 $m
Assets				
Financial Services				
Cash and cash equivalents	11	**11.3**	12.8	12.0
Balances with the Central Bank of Belize	12	**43.0**	58.8	121.2
Due from banks (net of allowances)	13	**43.9**	52.1	19.0
Investment securities	14	**132.9**	95.1	46.4
Loans to customers (net of allowances)	15	**236.9**	237.8	268.0
Property, plant and equipment	16	**19.4**	20.2	18.6
Due from Government of Belize (net of allowance)	17	**41.2**	46.7	29.8
Other assets		**6.7**	6.2	10.9
Total Financial Services assets		**535.3**	529.7	525.9
Corporate				
Cash, cash equivalents, and due from banks		**1.4**	0.4	2.6
Other current assets		**0.3**	0.4	0.6
Total assets		**537.0**	530.5	529.1
Liabilities and shareholders' equity				
Financial Services				
Customer accounts	18	**430.4**	435.0	453.5
Interest payable		**-**	-	3.4
Other liabilities		**8.2**	12.2	8.8
Total Financial Services liabilities		**438.6**	447.2	465.7
Corporate				
Current liabilities		**8.3**	7.8	8.2
Total liabilities		**446.9**	455.0	473.9
Shareholders' equity:				
Share capital (ordinary shares of no par value - 2019 (103,264,000) and 2018 (103,264,000)	20	**0.5**	0.5	0.6
Additional paid-in capital		**52.8**	52.8	52.8
Treasury shares	20	**(21.7)**	(21.7)	(21.7)
Retained earnings		**58.5**	43.9	23.5
Total shareholders' equity		**90.1**	75.5	55.2
Total liabilities and shareholders' equity		**537.0**	530.5	529.1

The financial statements on pages 21 to 23 were approved and authorised for issue by the Board of Directors on 27 September 2019 and were signed on its behalf by:

Lyndon Guiseppi
Chief Executive Officer

Michael Coye
Chief Financial Officer

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

Consolidated statement of cash flows

Expressed in millions of US dollars except where otherwise stated

Year ended 31 March	2019 $m	2018 $m
Cash flows from operating activities		
Net income before tax	14.7	27.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2.4	2.0
Allowance for impairment on loans to customers	(0.3)	3.9
Gain on disposal of property, plant and equipment	(0.1)	(0.1)
Changes in operating assets and liabilities:		
Decrease in interest payable	-	(3.4)
Decrease (increase) in Government of Belize receivable	5.5	(16.9)
(Increase) decrease in other and current assets	(0.4)	4.9
(Decrease) increase in other and current liabilities	(3.5)	3.0
Tax paid	(4.0)	(7.2)
Net cash provided by operating activities	14.3	14.0
Cash flows from investing activities		
Purchase of property, plant and equipment (net of disposals)	(2.0)	(3.6)
Proceeds from sale of property, plant and equipment	0.5	0.1
Increase in investment securities	(37.8)	(48.7)
Decrease in loans (net of charge-offs) to customers	5.0	26.3
Net cash utilised by investing activities	(34.3)	(25.9)
Cash flows from financing activities		
Decrease in customer accounts	(4.6)	(18.5)
Acquisition of shares	-	(0.1)
Dividends	-	(0.1)
Unrealized losses on securities	0.1	(0.1)
Net cash utilised by financing activities	(4.5)	(18.8)
Net change in cash, cash equivalents and due from banks	(24.5)	(30.7)
Cash, cash equivalents and due from banks at the beginning of year	124.1	154.8
Cash, cash equivalents and due from banks at the end of year	99.6	124.1
Cash and cash equivalents - financial services	11.3	12.8
Balances with Central Bank of Belize - financial services	43.0	58.8
Due from banks (net of allowances) - financial services	43.9	52.1
Cash, cash equivalents and due from banks - corporate	1.4	0.4
	99.6	124.1

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

Note 1 - Description of business

Caribbean Investment Holdings Limited ("the Company") is a company incorporated in Belize. The Company's shares are traded on the Alternative Investment Market of the London Stock Exchange and the Bermuda Stock Exchange. The Company is a holding company with no independent business operations or assets other than its investment in its wholly-owned subsidiaries, intercompany balances and holdings of cash and cash equivalents. The Company's businesses are conducted through its principal operating subsidiaries: The Belize Bank Limited, which directly owns Belize Bank International Limited, and Belize Corporate Services Limited which together comprise the Finance Services segment.

The Group is engaged in a wide range of banking, financial and related activities primarily in Belize. A full listing of the Group's subsidiary companies is detailed in Note 27.

The Company's registered office is at 212 North Front Street, Belize City, Belize.

Note 2 - Compliance with International Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Accounting Standards ("IAS") and Standing Interpretations Committee interpretations ("SIC") approved by the International Accounting Standards Committee that remain in effect. These are the Group's first financial statements prepared in accordance with IFRS (see Note 28 for explanation of the transition to IFRS).

The consolidated financial statements have been prepared on a going concern basis.

Note 3 - Basis of presentation

a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. The consolidated financial statements have been prepared in millions ("$m") of United States Dollars ("US Dollars").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The Group classifies its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below:

Quoted market prices - Level 1

Assets and liabilities are classified as Level 1 if their fair value is observable in an active market. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs - Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable either directly or indirectly. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation technique using significant unobservable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

b) Accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires Management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these are based on Management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Impairment losses on financial assets (Policy applicable under IFRS 9)

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are produced using complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The estimation of collateral values when determining the ECL's;
- The Group's criteria for assessing if there has been a significant increase in credit risk ("SICR");
- The formulation of the ECL models including the various formulas and choice of inputs;
- The selection and determination of the associations between macroeconomic factors such as inflation rates and unemployment levels and the effect on the probability of default, the exposure at default and the loss given default; and
- The inclusion of overlay adjustments based on judgement and future expectations.

ii. 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.

iii. Depreciation

The Group charges depreciation based on the estimated useful life of its property, plant and equipment. These estimates are based on Management's knowledge of the assets and the purpose of their use. Estimates of useful lives are reviewed on an annual basis.

iv. Classification of securities (Policy applicable under IFRS 9)

Financial assets are classified using two criteria:

1. the business model within which financial assets are managed, and
2. their contractual cash flow characteristics.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Other financial assets are measured at fair value through profit and loss.

d) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs and new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers:

The standard is effective for periods beginning on or after 1 January 2018. The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1) Identify the contract with the customer,

2) Identify the performance obligations in the contract,

3) Determine the transaction price,

4) Allocate the transaction price, and

5) Recognise revenue when a performance obligation is satisfied.

The standard also provides specific principles to apply when there is a contract modification, accounting for contract costs and accounting for refunds and warranties.

The adoption of the standard did not have a significant impact on the Group.

Amendments to IFRS 2 Classification and Measurement of Share-Based Payment Transactions:

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted.

The amendments clarify the following:

1. In estimating the fair value of cash-settled share-based payments, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangements has a "net settlement feature", such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

    i) the original liability is derecognised;

    ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

    iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

Adoption of the amendments did not have a significant impact on the Group.

IFRS 9 Financial Instruments:

The standard is effective for accounting periods beginning on or after 1 January 2018. IFRS 9 outlines the recognition and measurement of financial assets, financial liabilities and the derecognition criteria for financial assets.

Most financial liabilities will continue to be carried at amortised cost. However, some financial liabilities will be required to be measured at fair value through profit or loss (for example derivatives) with changes in the liabilities' credit risk to be recognised in other comprehensive income.

The Group has not restated comparative information for 2018 for financial instruments that fall within the scope of IFRS 9. The comparative information for 2018 is reported under IAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as of 1 April 2018 and are disclosed in this Note.

Changes to classification and measurement

Financial assets are to be measured either at amortised cost or fair value through profit or loss, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. A financial asset currently can only be measured at amortised cost if the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding.

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment on financial assets by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. IFRS 9 requires the Group to record an allowance for ECL for all loans and other debt financial assets not held at fair value through profit or loss (FVTPL), together with undrawn loan commitments and financial guarantees. The allowance is based on the ECL associated with the probability of default in the next 12 months unless there has been a significant increase in credit risk since origination.

The details of the Group's impairment methodology are disclosed in Note 3(i). The quantitative impact of applying IFRS 9 as at 1 April 2018 is disclosed in this Note.

Transition

Amounts for the previous reporting period have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for 31 March 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 31 March 2019 under IFRS 9.

For the purposes of measurement at 31 March 2018, IAS 39 Financial Instruments: Recognition and Measurement the Group classified financial assets into the following categories: (a) Loans and Receivables (L&R); (b) Available for sale (AFS) financial assets; (c) financial assets held to maturity (HTM) and (d) financial assets at FVTPL. IFRS 9 categories include Amortised cost (AC) and FVTPL.

The following table reconciles the carrying amounts of financial assets, from their previous measurement categories in accordance with IAS 39 into their new measurement categories upon transition to IFRS 9 on 1 April 2018:

	IFRS 9 Category	IAS 39 Category	IAS 39 measurement amount $m	Remeasurement $m	IFRS 9 amount $m
Financial assets					
Cash and cash equivalents	AC	L&R	13.2	-	13.2
Balances with the Central Bank of Belize	AC	L&R	58.8	-	58.8
Due from banks (net of allowances)	AC	L&R	52.1	-	52.1
Loans to customers (net of allowances)	AC	L&R	237.8	3.8	241.6
Investment securities	FVOCI	AFS	14.4	-	14.4
Investment securities	AC	HTM	80.7	-	80.7
Total financial assets			**457.0**	**3.8**	**460.8**

The impact of transition to IFRS 9 on reserves and retained earnings is, as follows:

	Share capital $m	Additional paid-in capital $m	Treasury shares $m	Retained earnings $m	Total $m
Closing balance under IAS 39 (31 March 2018)	0.5	52.8	(21.7)	43.9	75.5
Initial recognition of IFRS 9 ECL's Loans to customers	-	-	-	3.8	3.8
Opening balance under IFRS 9 (1 April 2018)	**0.5**	**52.8**	**(21.7)**	**47.7**	**79.3**

The following table reconciles the aggregate opening financial asset impairments under IAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with IAS 37 Provisions Contingent Liabilities and Contingent Assets to the ECL allowances for financial assets under IFRS9. Further details are disclosed in Note 13.

	Financial asset impairment under IAS 39 at 31 March 2018 $m	Remeasurement $m	ECL's under IFRS 9 at 1 April 2018 $m
Impairment allowance for:			
Loans to customers	20.1	(3.8)	16.3
	20.1	**(3.8)**	**16.3**

Amendments to IAS 40 Transfers of Investment Property:

The amendments are effective for annual reporting periods beginning on or after 01 January 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.

Amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

Adoption of the amendments did not have a significant impact on the Group.

IFRIC 22 Foreign Currency Transactions and Advance Consideration:

The interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply Interpretation either retrospectively or prospectively. Specific transaction provisions apply to prospective application.

IFRIC 22 addresses how to determine the "date of transaction" for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

Adoption of the amendments did not have a significant impact on the Group.

e) New and revised IFRS's in issue but not yet effective

IFRS 16 Leases:

The standard is effective for periods beginning on or after 1 January 2019 with early application permitted. The standard introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance, including IAS17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low-value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas, under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or finance lease.

The Group has not as yet evaluated the full extent of the impact that the standard will have on its consolidated financial statements. The Group does not intend to early apply the standard.

Amendments to IAS 28 and IFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint venture:

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The amendments to IAS 28 and IFRS 10 deal with situations where there is a sale or a contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture that is accounted for using equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate of joint venture. Similarly, gains or losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Group has not as yet evaluated the full extent of the impact that the standard will have on its consolidated financial statements. The Group does not intend to early apply the standard.

IFRIC 23 Uncertainty over Income Tax Treatments:

IFRIC was issued on 7 June 2017 and applies to annual reporting periods beginning on or after 1 January 2019.

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

The Group has not as yet evaluated the full extent of the impact that this interpretation will have on its consolidated financial statements.

Amendments to IAS 19 Plan Amendment, Curtailment, or Settlement:

The amendments are effective for annual reporting periods beginning on or after 1 January 2019.

The amendments to IAS 19 Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

When accounting for defined benefit plans under IAS 19, the standard generally requires entities to measure the current service cost using actuarial assumptions determined at the start of the annual reporting period. Similarly, the net interest is generally calculated by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Group has not as yet evaluated the full extent of the impact that the amendment of this standard will have on its consolidated financial statements.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures:
The amendments are effective for annual reporting periods beginning on or after 1 January 2019.

The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the ECL model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The Group has not as yet evaluated the full extent of the impact that the amendment to this standard will have on its consolidated financial statements.

IFRS 17 Insurance Contracts:
IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The Group has not as yet evaluated the full extent of the impact that the standard will have on its consolidated financial statements. The Group does not intend to early apply the standard.

Amendments to IFRS 9 Prepayment Features with Negative Compensation:
The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted.

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The Group does not anticipate that the application of these amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IAS 12 Income Taxes:

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

The Group does not anticipate that the application of these amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IAS 23 Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity generally borrows when calculating the capitalisation rate on general borrowings.

The Group does not anticipate that the application of these amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IFRS 11 Joint Arrangements:

The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.

The Group does not anticipate that the application of the amendments in the future will have an impact on the Group's financial statements.

Note 4 - Significant accounting policies

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group. The Company consolidates its subsidiaries all of which are wholly owned. 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 or up to the date of disposal. All intercompany balances and transactions have been eliminated in consolidation. A detailed list of the subsidiaries is provided in Note 27.

b) Foreign 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. The rate of exchange between the US Dollar and the Belize Dollar has been fixed since 1976 at the rate of Belize $2.00 equals US $1.00.

Transaction gains/losses are considered in determining net income for the period in the consolidated financial statements.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand 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. Amounts, which relate to funds that are of a restricted nature, are excluded from cash and cash equivalents.

d) Balances with the Central Bank of Belize

Balances with the Central Bank of Belize ("CBB") represent the 8.5% statutory reserve deposits required for the domestic bank plus USD 100 thousand required of the international bank. The amount in excess of the 8.5% statutory reserve deposits with the CBB by BBL is unrestricted and available for use by the BBL.

e) Amounts due from banks

In the normal course of business, the Group maintains correspondent accounts or deposits for various periods of time with other banks and financial institutions. Amounts due from banks with a fixed maturity term are subsequently measured at amortised cost. Those that do not have fixed maturities are carried at cost. Amounts due from banks are carried net of any allowance for impairment.

f) Interest expenses

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of interest expenses.

g) Financial instruments

Financial assets and liabilities

The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract.

Financial assets are classified on the basis of two criteria:

1. the business model within which the financial assets are managed;

2. the contractual cash flow characteristics (whether the cash flows represent SPPI).

Management determines the classification of its investments at initial recognition.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and their contractual cash flows represent SPPI.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and their contractual cash flows represent SPPI.

Other financial assets are measured at FVTPL.

The fair values of quoted investments in active markets are based on current bid prices. If listed market prices are not available, the market for a financial asset is not active, securities are unlisted, or if liquidating the Group's position would reasonably be expected to impact market prices, fair value is determined based upon other relevant factors, including Management's estimates of amounts to be realised on settlement, assuming current market conditions and an orderly disposition in a reasonable period of time and the level of liquidity in the stock. Market value is not necessarily indicative of the amount that could be obtained for disposal of a large block of securities.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

i. the rights to receive cash flows from the asset have expired;

ii. the Group has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement and has no obligation to pay amounts to eventual recipients unless it collects equivalent amounts from the original assets; and

iii. the Group either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Due from Government of Belize

The amount due from the Government of Belize ("GOB") pursuant to a Certificate of Order issued by the Caribbean Court of Justice is a non-derivative financial asset.

Subsequent to its initial recognition, this financial asset is measured at amortised cost using the effective interest method.

Gains and losses are recognised in the consolidated statement of comprehensive income when the receivable is de-recognised or impaired, as well as through the amortisation process.

Impairment assessment of the GOB receivable is performed annually and any changes are recognised in the consolidated statement of comprehensive income.

h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Impairment of financial assets (Policy applicable from 01 April 2018)

(i) Overview of the ECL principles

As described in Note 3(d), the adoption of IFRS 9 has fundamentally changed the methodology used for impairment of the Group's financial assets by replacing the incurred loss approach under IAS 39 with a forward-looking ECL approach.

The Group uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss ("LTECL")), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL"). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 26.

The 12mECL is the portion of the LTECL's that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date.

Both LTECL's and 12mECLs are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of the financial instruments.

The Group has established a policy to perform an assessment at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group classifies its financial assets into Stage 1, Stage 2, and Stage 3, as described below:

Stage 1

When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions after initial recognition, the Group recognises an allowance based on 12mECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 2.

Stage 2

When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 3.

Stage 3

Financial assets considered credit-impaired.

(ii) The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default is an estimate of the likelihood of default over a given period of time.

EAD – The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The mechanics of the ECL method are outlined below:

The Group can carry out three separate approaches for ECL measurement:

- assessment on an individual basis;
- assessment on a portfolio basis: the credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for homogeneous segments of the loan portfolio;
- assessment based on external ratings.

The Group performs an assessment on an individual basis for individually significant loans and credit-impaired loans.

The Group performs an assessment on a portfolio basis for the following types of assets: retail loans and loans within a particular industry or economic sector. This approach incorporates aggregating the portfolio into homogeneous segments based on borrower-specific information.

The Group performs assessments on external ratings for the following types of loans: debt securities issued by banks and legal entities, and loans issued to sovereigns.

Principles of assessment on individual basis – ECL assessments on an individual basis are done by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. Individual assessment is mainly based on the expert judgement of the Remedial Management and Group Risk Units.

Principles of assessment on portfolio basis – to assess the staging of exposure and to measure a loss allowance on a collective basis, the Group combines its exposures into segments on the basis of shared credit risk characteristics, such as that exposures to risk within a group are homogeneous.

Examples of shared characteristics include: type of customer, product type, credit risk rating, and industry.

In general, ECL is the multiplication of the following credit risk parameters: EAD, PD and LGD (definitions of the parameters are provided above).

The brief principles of calculating the credit risk parameters are as follows:

The EAD's are determined based on the book value of the financial asset as at the reporting date.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD:

- 12-month PDs – the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if less than 12 months). This parameter is used to calculate 12- month ECLs. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for forward-looking information when appropriate.
- Lifetime PDs – the estimated probability of a default occurring over the remaining life of the financial instrument. This parameter is used to calculate lifetime ECLs for Stage 2 exposures. An assessment of a Lifetime PD is based on the latest available historic default data and adjusted for forward looking information when appropriate.

To calculate Lifetime PD, the Group uses different statistical approaches depending on the segment and product type. For lifetime PD calculations, the Group relies primarily on historical default data.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the product, stage and the availability of collateral or other credit support.

The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event.

The approach to LGD measurement can be divided into three possible approaches:

- measurement of LGD based on the specific characteristics of the collateral;
- calculation of LGD on a portfolio basis based on recovery statistics;
- individually defined LGD depending on different factors and scenarios.

For loans secured by real estate the Group calculates LGD based on specific characteristics of the collateral, such as projected collateral values, historical discounts on sales and other factors.

(iii) ECL measurement for off-balance sheet financial instruments (financial guarantees, loan commitments)

The ECL measurement of off-balance sheet accounts consists of the same steps described above for the balance sheet exposures and differs with respect to EAD calculation.

(iv) Forward-looking information incorporated in the ECL models

The assessment of the SICR and the calculation of ECLs both incorporate forward-looking information. The Group has performed historical analyses and identified key economic variables that impact credit risk and ECLs.

These economic variables utilised by the Group in its calculation of ECLs are inflation rates, unemployment rate, average fixed deposit rates, and currency fluctuation.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

j) Discount on loans at below commercial rates

Where loans are made at rates of interest below the normal commercial rate, loans are discounted to fair value based on market rates of interest. The financial impact of this write down is shown as a separate item on the face of the statement of comprehensive income. Any subsequent upward revaluation passes through the statement of comprehensive income as interest. Such transactions are largely entered into with employees and may also be undertaken for marketing or other purposes.

k) Inventories

Inventories are stated at the lower of cost and net realisable value.

l) Other credit related commitments

In the normal course of business, the Group enters into other credit related commitments including undrawn loan commitments and credit lines, letters of credit and guarantees.

Undrawn loan commitments and credit lines are not included in the consolidated statement of financial position but are separately disclosed in Note 19.

The Group's potential liability under acceptances and guarantee contracts are included under other liabilities in the consolidated statement of financial position. The banks have equal and offsetting claims against its customers in event of a call on these commitments, which are reported as an asset.

m) Leases

Leasing transactions are classified according to the lease agreements which specify the rewards and risks associated with the leased property. Leasing transactions for the Group are operating leases. Payments made under operating leases are recorded as an expense.

n) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less any subsequent accumulated depreciation, amortisation and accumulated impairment losses.

Depreciation is provided to write off the cost of the assets over their estimated useful lives, using the straight-line method, over the following periods:

Land	is not depreciated
Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of the lease
Motor vehicles	4 years
Furniture and fixtures, and other equipment	10 years
Computer and office equipment	5 years

The depreciation method applied to an asset is reviewed at least once at the end of each financial year. Each significant change in the approach to asset depreciation is reflected in the method of its depreciation. This change is treated as a change in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Depreciation of the asset initiates when the asset becomes available for use in the location and condition in accordance with the Group's intentions. Depreciation is stopped either when the asset is reclassified as available for sale or at de-recognition.

Expenditures for major renewals are capitalised. Repairs and maintenance are charged to the consolidated statement of comprehensive income when the expenditure is incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the difference is charged to the consolidated statement of comprehensive income. The estimated recoverable amount is the higher of an asset's potential net sales proceeds and its value in use.

Gains and losses on disposal of property, plant, and equipment are determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

o) Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised in the period in which the Group approves a formal and detailed restructuring plan and proceeds to carry it out or publicly announces a forthcoming restructuring.

p) Taxation

Taxation has been provided for in the financial statements in accordance with both Belize legislation and Saint Lucia legislation. The Company is a member of a PIC Group as defined by Section 124 of the International Business Companies Act, Cap 270, Revised Edition 2011 of Belize, ("IBC Act"). In 1998, corporate taxation was replaced in Belize by business tax which, in the case of banks, is assessed on revenues less interest expense. Taxes, other than business tax, incurred in Belize are recorded within operating expenses.

Under Section 109 of the International Business Companies Act, Chapter 12.14 of the Laws of Saint Lucia the Company's subsidiary, B.B. International Limited elected to pay income tax on its profits and gains.

q) Dividends

Dividends are recorded as a separate debit caption in equity in the period in which they are declared. Dividends declared after the reporting date and before the consolidated financial statements are authorised for issue are disclosed in the events after the reporting date. Dividends declared to owners of equity instruments after the reporting date, are not recognised as liabilities.

r) Income and expense recognition

Interest income and expense are recognised in the consolidated statement of comprehensive income on the accrual basis. Interest income is not recognised when it is overdue and/or in situations where management believes it is not collectable.

s) Severance benefits

In accordance with the Labour (Amendment) Act 2011, an employee continuously employed over 10 years is entitled to severance pay of two week's wages for each year of service. The Group has established a reserve to reflect its liability for all existing employees of the banks with over 10 years of continuous service.

t) Share capital

Share capital is recognised at cost.

u) Foreign currency translation

Transactions denominated in currencies other than US dollars are recorded at exchange rates prevailing on the date of transaction. The foreign currencies most commonly used by the Group are the US Dollar, the Belize dollar ("BZD"), the euro ("EUR") and the British pound sterling ("GBP").

Monetary assets and liabilities denominated in foreign currency are translated into US Dollar at the official exchange rate determined by the CBB at the reporting date. Foreign currency gains and losses arising from the translation of assets and liabilities are reflected in the statement of comprehensive income as foreign exchange translation gains less losses.

The official CBB exchange rates as at 31 March 2019 were BZD 2.00 per USD 1.00, USD 1.12 per EUR 1.00, and USD 1.31 per GBP 1.00 (31 March 2018 – USD 0.50, USD 1.23, and USD 1.41 per BZD, EUR, and GBP, respectively).

v) Stock-based compensation

Stock-based employee compensation is accounted for under the fair value based method of accounting -Note 20.

Note 5 – Segmental analysis

The Group reports its business activities through two reportable operating segments: financial services and corporate.

Financial services comprise of all banking activities and financial related services for the Group's customers. Financial services product offerings include lending, traditional savings accounts, term deposits, non-interest bearing and interest bearing checking accounts as well as credit and debit cards and offering of payment processing services to merchants.

Corporate activities comprise the cost of executive management of the Group's activities, the administrative cost of operating a listed company together with other related general corporate costs. Corporate income comprises principally of consultancy fees received.

Segment information for the reportable segments is set out below:

	Total Group			Financial Services			Corporate		
At 31 March	2019 $m	2018 $m	2017 $m	2019 $m	2018 $m	2017 $m	2019 $m	2018 $m	2017 $m
Assets	**537.0**	530.5	529.1	**535.3**	529.7	525.9	**1.7**	0.8	3.2
Liabilities	**446.9**	455.0	473.9	**438.6**	447.2	465.7	**8.3**	7.8	8.2
Capital expenditures	**(2.0)**	(3.6)	(4.3)	**(2.0)**	(3.6)	(4.3)	**-**	-	-

	Total Group		Financial Services		Corporate	
At 31 March	2019 $m	2018 $m	2019 $m	2018 $m	2019 $m	2018 $m
Net interest income	**28.1**	34.1	**28.1**	34.1	**-**	-
Non interest income	**12.4**	22.6	**11.3**	21.3	**1.1**	1.3
Total revenues, net of interest expense	**40.5**	56.7	**39.4**	55.4	**1.1**	1.3
Provision for loan losses	**0.3**	(3.9)	**0.3**	(3.9)	**-**	-
Depreciation and amortisation	**(2.4)**	(2.0)	**(2.4)**	(2.0)	**-**	-
Other non interest expense	**(23.7)**	(23.0)	**(19.4)**	(18.0)	**(4.3)**	(5.0)
Gain before taxes	**14.7**	27.8	**17.9**	31.5	**(3.2)**	(3.7)
Taxation	**(4.0)**	(7.2)	**(4.0)**	(7.2)	**-**	-
Gain net of taxes	**10.7**	20.6	**13.9**	24.3	**(3.2)**	(3.7)

Note 6 - Interest income

Year ended 31 March	2019 $m	2018 $m
Interest on loans to customers	28.0	31.5
Interest on Government of Belize receivable	2.5	6.1
Interest on securities	3.0	2.1
Interest on deposits with banks	0.1	-
Total interest income	33.6	39.7

Note 7 - Interest expense

Year ended 31 March	2019 $m	2018 $m
Interest on customer accounts	5.5	5.6
Total interest expense	5.5	5.6

Note 8 - Non-interest income

Year ended 31 March	2019 $m	2018 $m
Foreign exchange income and commissions	3.5	2.9
Customer service and letter of credit fees	1.9	1.7
Credit card fees	1.8	2.0
Other financial and related services	1.0	1.3
Reduction in impairment allowance on due from Government of Belize	-	11.0
Other income	0.3	0.3
Total non-interest income	8.5	19.2

Note 9 - Non-interest expense

Year ended 31 March	2019 $m	2018 $m
Salaries and benefits	9.6	9.4
Depreciation expense	2.4	2.0
Premises and equipment	2.4	2.3
Other expenses	4.6	4.2
Total non-interest expense	19.0	17.9

Note 10 – Earnings per ordinary share

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

Year ended 31 March	2019 $m	2018 $m
Net income	10.7	20.6
Weighted average number of shares (basic and diluted)	99,520,017	99,520,017
Basic and diluted earnings per ordinary share	0.11	0.21

During the year ended 31 March 2019 and 2018 the weighted average effect of share options has been excluded from the calculation of diluted earnings per ordinary share, since they were anti-dilutive under the treasury stock method of earnings per share calculation (Note 20).

Note 11 - Cash and cash equivalents

At 31 March	2019 $m	2018 $m	2017 $m
Cash in hand	**9.5**	9.4	9.6
Amounts in the course of collection	**1.8**	3.4	2.4
Total cash and cash equivalents	**11.3**	12.8	12.0

Currency, liquidity, and interest rates risks analyses of cash and cash equivalents are disclosed in Note 26.

Note 12 - Balances with the Central Bank of Belize

At 31 March	2019 $m	2018 $m	2017 $m
Statutory reserve balances	**34.7**	34.2	34.6
Operating balance	**8.3**	24.6	86.6
Total balances with CBB	**43.0**	58.8	121.2

BBL is required to maintain an average minimum non-interest bearing deposit balance with CBB equal to 8.5 percent of the average deposit liabilities of BBL. At 31 March 2019, the actual amount was 10.4 percent (2018 - 13.5 percent and 2017 - 28.7 percent). In addition, BBL must maintain an average aggregate of approved liquid assets (which include the average minimum non-interest bearing deposit balance maintained with CBB) equal to 23 percent of the average deposit liabilities of BBL. At 31 March 2019, the actual amount was 36.0 percent (2018: 28.9 percent and 2017 - 33.7 percent). The statutory reserve balances are not readily available to finance the day to day operations of the banks.

Note 13 - Due from banks (net of allowances)

At 31 March	2019 $m	2018 $m	2017 $m
Due from banks	**44.1**	52.3	19.3
Less: impairment allowance on due from banks	**(0.2)**	(0.2)	(0.3)
Total due from banks (net of allowances)	**43.9**	52.1	19.0

The portfolio of balances held by both BBL and BBIL represents instruments of short-term placements of temporary available cash in other banks.

As at 31 March 2019, 2018 and 2017, all the interbank loans and deposits placed in other banks were current and not impaired except for balances held with Worldclear Limited, amounting to USD 0.2 million (2018 - USD 0.2 million and 2017 - USD 0.6 million), which had a related impairment allowance of USD 0.2 million (2018 - USD 0.2 million and 2017 - USD 0.3 million).

Movements in impairment allowance on due from banks were as follows:

At 31 March	2019 $m	2018 $m
At the beginning of the year	**(0.2)**	(0.3)
Charge during the year	-	-
Balances recovered during the year	-	0.1
	(0.2)	(0.2)

Currency, liquidity, and interest rate risk analyses of cash and cash equivalents are disclosed in Note 26.

As at 31 March 2019, BBL has utilised USD 4.2 million (2018 - USD 4.2 million and 2017 - USD 4.2 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 14 - Investment securities

At 31 March	2019 $m	2018 $m	2017 $m
Securities - available for sale	-	14.4	8.9
Securities - held to maturity	-	80.7	37.5
Securities - at FVOCI	4.3	-	-
Securities - at amortised cost	128.6	-	-
Total investment securities	132.9	95.1	46.4

Under IFRS 9 effective 01 January 2018, financial assets held in a business model with intention to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are SPPI, are measured at amortised cost. Whilst the objective of the business model must be to hold the financial asset to collect contractual cash flows this does not mean that the Group is required to hold the financial assets until maturity.

Securities held in a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are SPPI are measured at fair value through other comprehensive income.

For fiscal 2018, the accounting for the securities was under IAS 39. The majority of the securities were treated as available for sale financial assets and were held at fair value with gains and losses being included in other comprehensive income.

Note 15 - Loans to customers (net of allowances)

At 31 March	2019 $m	2018 $m	2017 $m
Loans:			
Residential mortgage	37.9	43.4	41.8
Credit card	9.2	9.3	9.0
Other consumer	54.6	50.5	45.2
Commercial - real estate	45.8	50.5	58.4
Commercial - other	98.7	104.2	145.1
	246.2	257.9	299.5
Allowance for loan losses:			
Residential mortgage	(0.8)	(3.9)	(3.5)
Credit card	(0.3)	(0.3)	(0.3)
Other consumer	(2.3)	(1.9)	(1.5)
Commercial - real estate	(0.9)	(2.4)	(8.4)
Commercial - other	(5.0)	(11.6)	(17.8)
	(9.3)	(20.1)	(31.5)
Loans (net of impairment allowance):			
Residential mortgage	37.1	39.5	38.3
Credit card	8.9	9.0	8.7
Other consumer	52.3	48.6	43.7
Commercial - real estate	44.9	48.1	50.0
Commercial - other	93.7	92.6	127.3
Loans (net of impairment allowance):	236.9	237.8	268.0

Individually impaired loans with allocated allowances were as follows:

At 31 March	2018 $m	2017 $m
Non performing loans as at year end	24.5	30.3
Other performing loans classified as impaired	-	29.6
Less: impairment allowance on loans to customers	(20.1)	(31.5)
At the end of the year	4.4	28.4

Changes in the allowance for loan losses were as follows:

Year ended 31 March	2018 $m	2017 $m
At the beginning of the year	31.5	52.9
Impairment allowance charged during the year	3.9	19.2
Charge-offs	(15.3)	(40.6)
Net movement in the year	(11.4)	(21.4)
At the end of the year	20.1	31.5

Balances presented in the tables above reflect the application of IAS 39 in determining the impairment allowances for the years ended 31 March 2018 and 2017.

The table below shows the staging of the loans to customers and the related ECL's.

As at	31 March 2019	01 April 2018
Gross loans	246.2	257.9
Stage 1: 12 Month ECL	(2.9)	(1.8)
Stage 2: Lifetime ECL	(1.0)	(2.4)
Stage 3: Lifetime ECL	(5.4)	(12.1)
Total loans to customers (net of allowances)	236.9	241.6

The table below shows the movement in the impairment allowance by stage:

	Impairment allowance			
	Stage 1 $m	Stage 2 $m	Stage 3 $m	Total $m
Impairment allowance as at 01 April 2018	1.8	2.4	12.1	16.3
ECL on new instruments issued during the year	2.6	0.2	0.3	3.1
Other credit loss movements, repayments and transfers	(1.5)	(1.6)	(2.1)	(5.2)
Charge offs and write offs	-	-	(4.9)	(4.9)
Impairment allowance as at 31 March 2019	2.9	1.0	5.4	9.3

The table below reflects outstanding loans by industry classifications.

At 31 March	2019 Amount	%	2018 Amount	%	2017 Amount	%
Other consumer loans	63.9	26.0%	59.8	23.2%	54.2	18.1%
Real estate	60.4	24.5%	69.5	27.0%	78.6	26.3%
Building and construction	29.0	11.8%	32.9	12.8%	36.2	12.1%
Distribution	19.8	8.0%	20.1	7.8%	23.3	7.8%
Agriculture	17.0	6.9%	19.5	7.6%	48.6	16.2%
Transportation	14.8	6.0%	15.2	5.9%	15.7	5.2%
Manufacturing	12.0	4.9%	1.9	0.7%	1.5	0.5%
Tourism	11.1	4.5%	14.8	5.7%	16.7	5.6%
Marine Products	6.3	2.6%	11.2	4.3%	12.6	4.2%
Utilities	5.6	2.3%	5.5	2.1%	5.2	1.7%
Professional services	5.3	2.2%	6.7	2.6%	4.3	1.4%
Government	0.7	0.3%	0.5	0.2%	1.2	0.4%
Entertainment	0.1	0.0%	0.2	0.1%	0.2	0.1%
Mining and exploration	0.1	0.0%	0.1	0.0%	0.8	0.3%
Forestry	0.1	0.0%	-	0.0%	0.3	0.1%
Financial institutions	-	0.0%	-	0.0%	0.1	0.0%
Total loans	**246.2**	**100.0%**	257.9	100.0%	299.5	100.0%

At 31 March 2019, the Group had total loans outstanding to certain officers and employees of USD 10.4 million (2018 - USD 9.7 million and 2017 - USD 8.8 million) at preferential rates of interest varying between 0.0 percent and 12.0 percent per annum, repayable over varying periods not exceeding 25 years. The transfer value loss on these loans had not been considered material and therefore had not been included in these consolidated financial statements.

Note 16 – Property, plant and equipment

Property, plant and equipment of the Group as at 31 March 2019 and 2018 comprised the following:

	Land	Premises	Furniture, fixtures and other equipment	Computer and office equipment	Motor vehicles	Work in progress	Total
Cost							
As at 1 April 2018	1.5	15.5	6.8	9.5	2.3	0.2	35.8
Additions	0.1	-	0.2	0.9	0.7	0.1	2.0
Disposals	-	(0.3)	(0.3)	(0.2)	(0.7)	-	(1.5)
Transfers	-	0.1	0.1	-	-	(0.2)	-
As at 31 March 2019	1.6	15.3	6.8	10.2	2.3	0.1	36.3
Depreciation							
As at 1 April 2018	-	(5.1)	(4.0)	(5.1)	(1.4)	-	(15.6)
Charge for the period	-	(0.4)	(0.6)	(1.0)	(0.4)	-	(2.4)
Eliminated on disposals	-	0.1	0.3	0.2	0.5	-	1.1
As at 31 March 2019	-	(5.4)	(4.3)	(5.9)	(1.3)	-	(16.9)
Net book value							
As at 31 March 2019	1.6	9.9	2.5	4.3	1.0	0.1	19.4
As at 31 March 2018	1.5	10.4	2.8	4.4	0.9	0.2	20.2

Property, plant and equipment of the Group as at 31 March 2018 and 2017 comprised the following:

	Land	Premises	Furniture, fixtures and other equipment	Computer and office equipment	Motor vehicles	Work in progress	Total
Cost							
As at 1 April 2017	1.3	15.5	5.7	5.6	2.0	2.8	32.9
Additions	0.2	0.1	1.2	1.4	0.7	-	3.6
Disposals	-	(0.1)	(0.1)	(0.1)	(0.4)		(0.7)
Transfers	-	-	-	2.6	-	(2.6)	-
As at 31 March 2018	1.5	15.5	6.8	9.5	2.3	0.2	35.8
Depreciation							
As at 1 April 2017	-	(4.7)	(3.4)	(4.7)	(1.5)	-	(14.3)
Charge for the period	-	(0.5)	(0.6)	(0.7)	(0.3)	-	(2.1)
Eliminated on disposals	-	0.1	-	0.3	0.4	-	0.8
As at 31 March 2018	-	(5.1)	(4.0)	(5.1)	(1.4)	-	(15.6)
Net book value							
As at 31 March 2018	1.5	10.4	2.8	4.4	0.9	0.2	20.2
As at 31 March 2017	1.3	10.8	2.3	0.9	0.5	2.8	18.6

Total capital expenditures for the year ended 31 March 2019 was USD 2.0 million (2018 - USD 3.6 million and 2017 - USD 4.3 million). Total depreciation expense for the year ended 31 March 2019 was USD 2.4 million (2018 - USD 2.0 million).

As at 31 March 2019 the Group's buildings, vehicles, ATMs and other equipment were insured for USD 22.1 million (2018 - USD 22.6 million and 2017 - USD 23.9 million).

As at 31 March 2019 historical cost of fully depreciated fixed assets amounted to USD 7.2 million (2018 - USD 6.9 million and 2017 - USD 6.2 million).

Note 17 – Due from Government of Belize (net of allowance)

At 31 March	2019 $m	2018 $m	2017 $m
Amounts receivable from the GOB	42.0	46.8	40.8
Less: impairment allowance	(0.8)	(0.1)	(11.0)
Total due from the GOB	41.2	46.7	29.8

Movements in impairment allowance on due from GOB.

At 31 March	2019 $m	2018 $m
At beginning of the year	(0.1)	(11.0)
Charge during the year	(0.7)	(0.1)
Reduction during the year	-	11.0
At the end of the year	(0.8)	(0.1)

On 23 March 2007, a loan note was issued to BBL by the 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 BBL by Universal Health Services.

While BBL had initially recorded the receivable owed by the GOB under the 2007 Loan Note, the CBB directed BBL to remove this receivable from the BBL's accounts; this exclusion resulted in the auditor issuing a qualified opinion on the BBL's financial statements for the fiscal year ended 31 March 2012.

BBL also 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, which was at that time Belize's highest court of appeal, in The Belize Bank Limited v The Association of Concerned Belizeans and Others. 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 it 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 03 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 04 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 03 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 09 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 the preliminary issues took place on 05 and 06 December 2018 and BBL is awaiting the Belize Supreme Court's decision.

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 08 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. No date has been fixed for the hearing of the appeal and no hearing date is expected prior to the first sitting of the Belize Court of Appeal in March 2020.

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 09 January 2016. On 08 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 08 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 09 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 – Customer accounts

At 31 March	2019 $m	2018 $m	2017 $m
Term deposits	**184.2**	192.9	214.0
Current/demand deposits	**160.6**	163.1	166.2
Savings deposits	**85.6**	79.0	73.3
Total customer accounts	**430.4**	435.0	453.5

Included in term deposits at 31 March 2019 were USD 8.0 million (2018 – USD 8.7 million and 2017 – USD 12.7 million) of term deposits denominated in US dollars and nil (2018 - nil) denominated in UK pounds sterling. Included in demand deposits at 31 March 2019 were USD 16.7 million (2018 - USD 18.8 million and 2017 – USD 20.6 million) of demand deposits denominated in US dollars and USD 0.2 million (2018 - USD 0.2 million and 2017 – USD 0.2 million) denominated in UK pounds sterling.

As at 31 March 2019, USD 8.6 million of customer account balances (2018 – USD 5.7 million and 2017 – USD 2.6 million) is held as collateral for banking operations.

The twenty largest deposit customers account for 31.0% of total deposits (2018 – 29.4% and 2017 – 31.6%).

Note 19 - 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 31 March 2019 amounted to USD 23.8 million (2018 – USD 22.3 million and 2017 – USD 21.3 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 2019 amounted to USD 7.3 million (2018 – USD 3.8 million and 2017 – USD 2.1 million).

(ii) The net operating lease rental charge for the years ended 31 March 2019 and 2018 included in the consolidated statements of comprehensive income was USD 0.2 million and USD 0.2 million, respectively. The table below provides details on non-cancellable operating lease commitments.

At 31 March	2019 $m	2018 $m	2017 $m
Not later than 1 year	**0.1**	0.1	0.1
Later than 1 year and not later than 5 years	**0.2**	0.2	0.3
Later than 5 years	**-**	-	-
Total non-cancellable operating lease commitments	**0.3**	0.3	0.4

(iii) 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.

(iv) 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.

(v) 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 31 March 2019 would have a material adverse effect on the financial position or liquidity of the Company or its subsidiaries as of 31 March 2019.

(vi) BBL and BBIL, as fully authorised banking entities, are subject to detailed regulatory requirements in Belize. These requirements are principally set by CBB. As of 31 March 2019 and 2018, 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.

(vii) The Labour Act states that where an employee has been continuously employed for a period of five to ten years and his employment is terminated by the employer, the employee is entitled to be paid a severance pay for each complete year of service. However, if the employee resigns, is terminated due to gross misconduct, or dies prior to the completion of ten years, then the Group is not liable to pay severance. The Group has estimated the contingent liability related to such severance payment for employees with more than five but less than ten years to be USD 0.2 million (2018 - USD 0.2 million and 2017 – USD 0.2 million).

Note 20 - Share capital

At 31 March	2019 $m	2018 $m	2017 $m
Authorised			
Ordinary shares:			
200,000,000 shares of no par value	**2.0**	2.0	2.0
Preference shares:			
14,000,000 shares of $1.00 each	**14.0**	14.0	14.0
Total authorised	**16.0**	16.0	16.0
Issued and outstanding			
Ordinary shares:			
103,264,000 shares of no par value (2018 - 103,264,000) (2017 - 103,642,984)	**0.5**	0.5	0.5

Treasury Shares

During the three years ended 31 March 2019, 2018, and 2017 there has been no movement in treasury shares.

	Number	$m
At 31 March 2017	4,297,228	21.7
At 31 March 2018	4,297,228	21.7
At 31 March 2019	4,297,228	21.7

On 13 September 2018, the Board of Directors agreed to the cancellation of all existing Treasury Shares; the cancellation process should be completed by the end of March 2020.

Share Options

The Company has granted employee share options which are issued under its share option plan which reserves ordinary shares for issuance to the Company's executives, officers and key employees. The options have been granted under the Long-Term Incentive Plans (the "Incentive Plans"). The Incentive Plans are administrated by a committee of the board of directors of the Company. Options are generally granted to purchase the Company's ordinary shares at prices which equate to or are above the market price of the ordinary shares on the date the option is granted. Conditions of vesting are determined at the time of grant but options are generally vested and become exercisable for a period of between three and ten years from the date of grant and all have a maximum term of ten years.

	Number of share options	Weighted average exercise price
Outstanding at 31 March 2017	7,249,997	$1.95
Outstanding at 31 March 2018	7,249,997	$1.95
Outstanding at 31 March 2019	7,249,997	**$1.95**

During the year ended 31 March 2019, no outstanding options were exercised.

In August 2008, the Company granted options over 6,999,997 ordinary shares at an exercise price of USD 6.50 per share which vest and are exercisable in three equal instalments on 01 August 2012, 01 August 2013 and 01 August 2014. The term of these options extended to 01 August 2019; they have now expired.

In May 2009, the Company granted options over a further 250,000 ordinary shares at the exercise price of USD 6.50 per share which vest and are exercisable in three instalments on 01 June 2013, 01 June 2014 and 01 June 2015. The term of these options extends to 01 June 2020.

The exercise price of all options was adjusted to USD 1.95 following the demerger of Waterloo Investment Holdings Limited from the Group in 2011.

The Group measures compensation cost in connection with share option plans and schemes using a fair value based method. Using the fair value based method, the Group took a charge of nil in the consolidated statement of comprehensive income during the year ended 31 March 2019 (2018 - nil).

The fair value of each option grant in 2008 and 2009 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected stock price volatility	30 percent
Risk free interest rate	3.7 percent
Expected dividend yield	Nil percent
Expected life of option	7.0 years

Note 21 – Dividends Paid

In the year ended 31 March 2018, the Company paid a dividend in specie with its shareholders receiving one class A share with a par value of USD 0.001 in Midway Investments Limited for every share held by the Company's shareholders.

No dividends were declared or paid by the Company in the year ended 31 March 2019.

Note 22 – Taxation

At 31 March	2019 $m	2018 $m
Business tax	3.9	7.2
Corporate income tax	0.1	-
Total taxation expense	**4.0**	**7.2**

The computation of business tax is provided in the table below:

At 31 March	2019 $m	2018 $m
Net interest income	25.3	52.4
Other income	12.0	9.0
Less:	-	-
Exempted income	(4.5)	(1.8)
Donations	-	-
Profit subject to tax for the period	**32.8**	**59.6**
Total business tax charged at 12.0%	**3.9**	**7.2**

Note 23 – Regulatory Capital Requirements

The regulatory capital guidelines measure capital in relation to the credit and market risks of both off 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 individual banks' financial position, results of operations, or liquidity. The following table sets forth the capital requirements and the actual ratios of BBL and BBIL.

	Minimum Required	Actual 2019	Actual 2018	Actual 2017
The Belize Bank Limited	9.0%	28.4%	16.6%	14.9%
Belize Bank International Limited	10.0%	78.7%	63.5%	60.4%

Note 24 - Related party transactions

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

Lord Ashcroft, KCMG, PC is the Company's ultimate controlling party.a controlling shareholder in the Company and in Waterloo Investment Holdings Limited ("WIHL"). As at 31 March 2019, the percentage of Lord Ashcroft's shareholdings in the Company was 75.07% (2018 - 75.07% and 2017 - 74.8%).

Key management personnel and directors

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling our activities, directly or indirectly. They include senior members of the organisation called the Executive Team. The Executive Team is comprised of the Executive Chairman and individuals that report directly to him, including the Chief Operations Officer, Chief Risk Officer and Chief Financial Officer and heads of certain business units.

Details of transactions and balances with related parties as at 31 March 2019, 2018, and 2017 and during the years then ended are set out in the tables below.

Year ended 31 March 2019 Statement of financial position in US Dollars	Key management $m	Other related parties $m	Total $m
Loans to customers:			
Opening balance	0.3	2.2	**2.5**
Granted during the year	0.7	8.0	**8.6**
Repaid during the year	(0.5)	(8.0)	**(8.4)**
Closing balance	0.5	2.2	**2.7**
Less:			
Allowance for impairment	-	-	**-**
Net loans	0.5	2.2	**2.7**
Other receivables			
Opening balance	-	0.2	**0.2**
Granted during the year	-	1.0	**1.0**
Repaid during the year	-	(1.0)	**(1.0)**
Other receivables - closing balance	-	0.2	**0.2**
Customer deposits:			
Opening balance	0.4	1.2	**1.6**
Deposited during the year	3.4	21.0	**29.6**
Withdrawn during the year	(3.4)	(21.6)	**(29.4)**
Closing balance	0.4	0.6	**1.8**

Year ended 31 March 2019 Statement of comprehensive income in US Dollars	Key management $m	Other related parties $m	Total $m
Consultancy fee income	-	1.1	**1.1**
Consultancy charges	-	(0.4)	**(0.4)**
Interest on loans	-	0.2	**0.2**
Customer services fees	-	0.1	**0.1**

Year ended 31 March 2018 Statement of financial position in US Dollars	Key management $m	Other related parties $m	Total $m
Loans to customers:			
Opening balance	0.4	2.5	**2.9**
Granted during the year	0.3	1.2	**1.5**
Repaid during the year	(0.4)	(1.5)	**(1.9)**
Closing balance	0.3	2.2	**2.5**
Less:			
Allowance for impairment	-	-	**-**
Net loans	0.3	2.2	**2.5**
Other receivables			
Opening balance	-	0.5	**0.5**
Granted during the year	-	1.0	**1.0**
Repaid during the year	-	(1.3)	**(1.3)**
Other receivables - closing balance	-	0.2	**0.2**
Customer deposits:			
Opening balance	0.2	3.1	**3.3**
Ceased to be related	(0.1)	-	**(0.1)**
Deposited during the year	3.0	13.1	**16.1**
Withdrawn during the year	(2.7)	(15.0)	**(17.7)**
Closing balance	0.4	1.2	**1.6**

Year ended 31 March 2018 Statement of comprehensive income in US Dollars	Key management $m	Other related parties $m	Total $m
Consultancy fee income	-	1.0	**1.0**
Consultancy charges	-	(0.4)	**(0.4)**

Year ended 31 March 2017 Statement of financial position in US Dollars	Key management $m	Other related parties $m	Total $m
Loans to customers:			
Opening balance	0.3	2.3	**2.6**
Granted during the year	0.6	1.2	**1.8**
Repaid during the year	(0.5)	(1.0)	**(1.5)**
Closing balance	0.4	2.5	**2.9**
Less:			
Allowance for impairment	-	-	**-**
Net loans	0.4	2.5	**2.9**
Other receivables			
Opening balance	-	0.2	**0.2**
Granted during the year	-	1.0	**1.0**
Repaid during the year	-	(0.7)	**(0.7)**
Other receivables - closing balance	-	0.5	**0.5**
Customer deposits:			
Opening balance	0.1	3.0	**3.1**
Deposited during the year	1.8	10.6	**12.4**
Withdrawn during the year	(1.7)	(10.5)	**(12.2)**
Closing balance	0.2	3.1	**3.3**

Year ended 31 March 2017 Statement of comprehensive income in US Dollars	Key management $m	Other related parties $m	Total $m
Consultancy fee income	-	1.0	**1.0**
Consultancy charges	-	(0.4)	**(0.4)**

During the years ended 31 March 2019, 2018, and 2017, the Group provided administrative services to WIHL amounting to USD 1.0 million for each year; this is reflected in the consultancy fee income reported in the preceding tables

The aggregate remuneration of the directors and key management personnel of the Group for the year ended 31 March 2019 amounted to USD 2.5 million (2018 - USD 2.2 million).

As at 31 March 2019, all loans granted to related parties were secured with guarantees and other types of collateral including real estate, motor vehicles and other fixed assets for a total of USD 2.6 million (2018 - USD2.4 million and 2017 - USD 0.1 million).

The directors' remuneration was as follows:

Year ended 31 March	2019 $m	2018 $m
P. Osborne	**0.50**	0.50
L. Guiseppi	**0.46**	0.44
C. Jones	**0.05**	0.05
E Bobb	**0.06**	0.06
Y. Metzgen	**0.04**	0.04
P. Gaze	**0.04**	0.04
G. Davis-Young	**0.03**	0.02
Total emoluments for all directors	**1.18**	**1.15**

Note 25 – Fair value of financial instruments

The amounts reported in the consolidated statements of financial position for cash, cash equivalents 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 internationally accepted credit rating.

The carrying amounts of securities are estimated to approximate fair value given the market-sensitive interest rates, maturity terms, and market price of these instruments.

The following tables shows the Group's assets and liabilities that are held at fair value disaggregated by valuation technique (fair value hierarchy) and balance sheet classifications.

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Investment securities	4.3	-	-	4.3
Total financial assets measured at fair value	**4.3**	**-**	**-**	**4.3**

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Investment securities	14.4	-	-	14.4
Total financial assets measured at fair value	**14.4**	**-**	**-**	**14.4**

As at 31 March 2017	Level 1	Level 2	Level 3	Total
Investment securities	8.9	-	-	8.9
Total financial assets measured at fair value	**8.9**	**-**	**-**	**8.9**

The carrying amounts of loans receivable, net of valuation allowances, is 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 the Group's deposit liabilities approximates carrying values based on comparative rates offered by other banks for deposits of similar remaining maturities.

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 31 March 2019, 2018, and 2017.

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

Note 26 – 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.

Group Risk Unit

The Group has established a Group Risk Unit ("GRU"), a completely independent unit, separate from the business development aspect of both BBL's and BBIL's operations, and has delegated the responsibility for the overall management of risk within BBL and BBIL to this unit.

The GRU, headed by a Chief Risk Officer, provides central oversight of risk management across the Group to ensure that the full spectrum of risks facing the Group are properly identified, measured, monitored, and controlled to minimize adverse outcomes.

Policies, procedures, and management systems have been implemented by the Group capable of managing, assessing, and developing risk responses to mitigate risks, which are unacceptable or outside of its risk tolerances.

The Group Risk Unit reports to the BBL, BBIL and CIHL boards periodically with an independent assurance of BBL's and BBIL's overall risk positions, its view on emerging risks and mitigating alternatives.

Credit risk

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

The BBL and BBIL boards have delegated overall responsibility for the management of their respective credit risk to the GRU, 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. The BBL and BBIL boards have delegated limits of authority to the Group Risk Committee ("GRC") and the GRU.

(iii) Reviewing and assessing credit risk. The GRU assesses all credit exposures in excess of the established limits, prior to facilities being committed. Renewals and reviews are subject to the same review process.

(iv) Limiting concentrations of exposure to counterparties, industries, credit risk buckets (Borrower's Risk Rating), and market liquidity.

(v) Developing and maintaining BBL's and BBIL's 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 BBL and BBIL in the management of credit risk.

Each business unit is responsible to implement BBL's and BBIL's credit policies and procedures, with credit approval authorities delegated from the GRU. Each business unit is also responsible for the quality and performance of its credit portfolio and for monitoring all credit risks in its portfolio. BBL and BBIL 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. The current risk rating system consists of seven (7) classifications reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk ratings lies with the final approving unit or committee. Risk ratings are subject to annual reviews.

BBL's and BBIL's 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. The management of all accounts classified as non-performing are transferred to the Remedial Management Unit ("RMU"). The RMU reports directly into the GRU and is responsible for the management, monitoring, and liquidating of the Group's non-performing portfolio.

At 31 March 2019, BBL's maximum exposure to credit risk amounted to USD 476.6 million (2018 - USD 495.3 million and 2017 - USD 451.2 million) and that of BBIL's amounted to USD 44.6 million (2018 - USD 50.9 million and 2017 - USD 56.8 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 their risk concentration associated with credit extensions on a continuous basis in an effort to mitigate their exposure.

As at 31 March 2019, 2018, and 2017, the loan portfolio stratification for the Group was as follows:

Loan outstanding balance range	31 March 2019 Amount	31 March 2019 Number of borrowers	31 March 2019 %	31 March 2018 Amount	31 March 2018 Number of borrowers	31 March 2018 %	31 March 2017 Amount	31 March 2017 Number of borrowers	31 March 2017 %
Less than 500	0.9	3,914	0.37%	0.8	6,538	0.31%	0.8	7,556	0.27%
From 500 to 5,000	24.8	12,401	10.07%	26.5	13,161	10.28%	22.9	12,725	7.64%
From 5001 to 10,000	18.2	2,567	7.39%	17.1	2,414	6.63%	16.0	2,529	5.34%
From 10,001 to 50,000	40.1	1,974	16.29%	40.0	1,919	15.51%	40.4	1,982	13.49%
From 50,001 to 100,000	22.3	320	9.06%	21.0	304	8.14%	20.5	297	6.84%
From 100,001 to 250,000	21.4	136	8.69%	23.3	154	9.03%	21.8	142	7.28%
From 250,001 to 1,000,000	31.9	72	12.96%	32.4	70	12.56%	35.6	80	11.89%
More than 1,000,000	86.6	27	35.17%	96.8	30	37.54%	141.5	39	47.25%
	246.2	**21,411**	**100.0%**	**257.9**	**24,590**	**100.0%**	**299.5**	**25,350**	**100.0%**

Significant increase in credit risk

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

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

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

Default and impairment assessment

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

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

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

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

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

31 March 2019	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 1						
Gross loans	33.5	9.3	51.5	31.9	100.2	226.4
ECL	(0.1)	-	(0.1)	(0.1)	(2.6)	(2.9)
	33.4	9.3	51.4	31.8	97.6	223.5
ECL as a % of Gross loans	0%	0%	0%	0%	3%	1%

01 April 2018	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 1						
Gross loans	32.3	9.2	46.7	23.0	84.3	195.5
ECL	-	-	(0.1)	-	(1.7)	(1.8)
	32.3	9.2	46.6	23.0	82.6	193.7
ECL as a % of Gross loans	0%	0%	0%	0%	2%	1%

The ECL's of Stage 1 as a percentage of gross loans balance of the same stage remained relatively stable from 01 April 2018 to 31 March 2019. The gross loans balance increased primarily due to 4 large commercial loans moving from Stage 2 to Stage 1.

31 March 2019	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 2						
Gross loans	1.5	-	0.6	1.2	3.9	7.2
ECL	(0.1)	-	(0.4)	(0.1)	(0.4)	(1.0)
	1.4	0.0	0.2	1.1	3.5	6.2
ECL as a % of Gross loans	7%	0%	67%	8%	10%	14%

01 April 2018	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 2						
Gross loans	4.7	-	1.1	11.9	12.4	30.1
ECL	(1.0)	-	(0.6)	(0.3)	(0.4)	(2.3)
	3.7	0.0	0.5	11.6	12.0	27.8
ECL as a % of Gross loans	21%	0%	55%	3%	3%	8%

During the year ended 31 March 2019, the gross loans at Stage 2 decreased by USD 23.0 million due largely to 4 large commercial loans moving from Stage 2 to Stage 1.

31 March 2019	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 3						
Gross loans	2.9	0.3	2.7	3.4	3.3	12.6
ECL	(0.6)	(0.2)	(1.8)	(0.7)	(2.1)	(5.4)
	2.3	0.1	0.9	2.7	1.2	7.2
ECL as a % of Gross loans	21%	67%	67%	21%	64%	43%

01 April 2018	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Stage 3						
Gross loans	6.3	0.4	2.4	5.5	16.7	31.3
ECL	(2.1)	(0.3)	(1.7)	(1.5)	(6.6)	(12.2)
	4.2	0.1	0.7	4.0	10.1	19.1
ECL as a % of Gross loans	33%	75%	71%	27%	40%	39%

During the year ended 31 March 2019, the gross loans at Stage 3 decreased by USD 18.6 million; USD 6.3 million of the decrease was due to the pay down and write-off of one commercial loan.

An analysis of the gross carrying amount and the corresponding allowance for loan losses for the years ended 31 March 2018 and 2017 computed in accordance with IAS 39 is provided below.

31 March 2018	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Gross loans	43.4	9.3	50.5	50.5	104.2	257.9
Allowance for loan losses	(3.9)	(0.3)	(1.9)	(2.4)	(11.6)	(20.1)
	39.5	9.0	48.6	48.1	92.6	237.8
Allowances as a % of Gross loans	9%	3%	4%	5%	11%	8%

31 March 2017	Residential Mortgage $m	Credit Card $m	Other Consumer $m	Commercial - real estate $m	Commercial - other $m	Total $m
Gross loans	41.8	9.0	45.2	58.4	145.1	299.5
Allowance for loan losses	(3.5)	(0.3)	(1.5)	(8.4)	(17.8)	(31.5)
	38.3	8.7	43.7	50.0	127.3	268.0
Allowances as a % of Gross loans	8%	3%	3%	14%	12%	11%

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.

BBL's and BBIL'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. BBL and BBIL 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 USD 3.5 million, while the same appreciation in the other currencies against the Belize dollar would on aggregate result in a gain of USD 71.9 thousand.

The following table provides assets and liabilities by currency at 31 March 2019:

At 31 March 2019	BZD $m	USD $m	Other currencies $m	Total $m
Assets				
Financial Services				
Cash and cash equivalents	8.7	2.5	0.1	11.3
Balances with the Central Bank of Belize	42.9	0.1	-	43.0
Due from banks (net of allowances)	-	43.1	0.8	43.9
Investment securities	113.0	19.9	-	132.9
Loans to customers (net of allowances)	190.6	45.9	0.4	236.9
Property, plant and equipment	19.0	0.4	-	19.4
Due from GOB (net of allowance)	-	40.5	0.7	41.2
Other assets	4.4	2.3	-	6.7
Total Financial Services assets	**378.6**	**154.7**	**2.0**	**535.3**
Corporate				
Cash, cash equivalents, and due from banks	-	1.4	-	1.4
Other current assets	-	0.3	-	0.3
Total assets	**378.6**	**156.4**	**2.0**	**537.0**
Liabilities and shareholders' equity				
Financial Services				
Customer accounts	403.4	26.4	0.6	430.4
Other liabilities	8.1	0.1	-	8.2
Total Financial Services liabilities	**411.5**	**26.5**	**0.6**	**438.6**
Corporate				
Current liabilities	-	8.3	-	8.3
Total liabilities	**411.5**	**34.8**	**0.6**	**446.9**

The following table provides assets and liabilities by currency at 31 March 2018:

At 31 March 2018	BZD $m	USD $m	Other currencies $m	Total $m
Assets				
Financial Services				
Cash and cash equivalents	11.3	1.4	0.1	12.8
Balances with the Central Bank of Belize	58.7	0.1	-	58.8
Due from banks (net of allowances)	-	52.0	0.1	52.1
Investment securities	79.3	15.8	-	95.1
Loans to customers (net of allowances)	186.9	49.8	1.1	237.8
Property, plant and equipment	19.8	0.4	-	20.2
Due from GOB (net of allowance)	-	45.9	0.8	46.7
Other assets	2.9	3.3	-	6.2
Total Financial Services assets	**358.9**	**168.7**	**2.1**	**529.7**
Corporate				
Cash, cash equivalents, and due from banks	-	0.4	-	0.4
Other current assets	-	0.4	-	0.4
Total assets	**358.9**	**169.5**	**2.1**	**530.5**
Liabilities and shareholders' equity				
Financial Services				
Customer accounts	401.9	32.2	0.9	435.0
Other liabilities	11.0	1.2	-	12.2
Total Financial Services liabilities	**412.9**	**33.4**	**0.9**	**447.2**
Corporate				
Current liabilities	-	7.8	-	7.8
Total liabilities	**412.9**	**41.2**	**0.9**	**455.0**

The following table provides assets and liabilities by currency at 31 March 2017:

At 31 March 2017	BZD $m	USD $m	Other currencies $m	Total $m
Assets				
Financial Services				
Cash and cash equivalents	10.5	1.4	0.1	12.0
Balances with the Central Bank of Belize	118.3	2.9	-	121.2
Due from banks (net of allowances)	-	18.9	0.1	19.0
Investment securities	36.5	9.9	-	46.4
Loans to customers (net of allowances)	191.5	74.9	1.6	268.0
Property, plant and equipment	15.6	3.0	-	18.6
Due from GOB (net of allowance)	-	29.0	0.8	29.8
Other assets	5.9	5.0	-	10.9
Total Financial Services assets	**378.3**	**145.0**	**2.6**	**525.9**
Corporate				
Cash, cash equivalents, and due from banks	-	2.6	-	2.6
Other current assets	-	0.6	-	0.6
Total assets	**378.3**	**148.2**	**2.6**	**529.1**
Liabilities and shareholders' equity				
Financial Services				
Customer accounts	423.6	32.1	1.2	456.9
Other liabilities	7.4	1.4	-	8.8
Total Financial Services liabilities	**431.0**	**33.5**	**1.2**	**465.7**
Corporate				
Current liabilities	-	8.2	-	8.2
Total liabilities	**431.0**	**41.7**	**1.2**	**473.9**

Liquidity risk

Liquidity risk is the risk arising from BBL's and BBIL's 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). BBL's and BBIL's liquidity management framework is designed to ensure that there are adequate reserves of cash and other liquid securities to satisfy current prospective commitments. BBL and BBIL 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 BBL and BBIL 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.

BBL and BBIL 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 BBL and BBIL 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 both BBL and BBIL are primarily "on-demand" loans which BBL and BBIL 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 of the Group combined with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may require to pay.

At 31 March 2019	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	247.6	50.1	131.3	4.5	433.5
Other liabilities and payables	0.7	3.3	7.4	2.3	13.7
Total liabilities	**248.3**	**53.4**	**138.7**	**6.8**	**447.2**
Credit-related commitments	**23.8**	**1.3**	**3.2**	**2.8**	**31.1**
Total liabilities and credit-related commitments	**272.1**	**54.7**	**141.9**	**9.6**	**478.3**
Loans to customers	40.7	14.3	38.9	240.7	334.6
Cash and cash equivalents	11.3	-	-	-	11.3
Balances with the CBB	8.4	-	-	-	8.4
Due from banks	38.9	2.5	3.1	-	44.5
Settlements in progress from credit card companies	2.3	-	-	-	2.3
Securities at amortised cost	-	69.5	31.7	34.1	135.3
Securities at FVOCI	-	2.3	2.1	-	4.4
Assets held for managing liquidity risk (undiscounted)	**101.6**	**88.6**	**75.8**	**274.8**	**540.8**

At 31 March 2018	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	243.3	46.4	124.7	24.3	438.7
Other liabilities and payables	1.0	4.0	-	9.3	14.3
Total liabilities	**244.3**	**50.4**	**124.7**	**33.6**	**453.0**
Credit-related commitments	**22.2**	**0.7**	**3.0**	**0.2**	**26.1**
Total liabilities and credit-related commitments	**266.5**	**51.1**	**127.7**	**33.8**	**479.1**
Loans to customers	76.8	11.2	30.4	184.8	303.2
Cash and cash equivalents	12.9	-	-	-	12.9
Balances with the CBB	24.6	-	-	-	24.6
Due from banks	50.4	1.6	0.6	-	52.6
Settlements in progress from credit card companies	2.9	-	-	-	2.9
Securities at amortised cost	-	30.5	18.8	37.1	86.4
Securities at FVOCI	-	4.1	5.1	5.5	14.7
Assets held for managing liquidity risk (undiscounted)	**167.6**	**47.4**	**54.9**	**227.4**	**497.3**

At 31 March 2017	On demand $m	Due within 3 months $m	3 months to 1 year $m	Over 1 year / no maturity $m	Total $m
Customer accounts	240.8	53.6	147.1	18.5	460.0
Other liabilities and payables	1.4	4.3	-	9.0	14.7
Total liabilities	**242.2**	**57.9**	**147.1**	**27.5**	**474.7**
Credit-related commitments	**21.3**	**0.3**	**1.8**	**-**	**23.4**
Total liabilities and credit-related commitments	**263.5**	**58.2**	**148.9**	**27.5**	**498.1**
Loans to customers	44.4	19.2	42.9	287.5	394.0
Cash and cash equivalents	12.0	-	-	-	12.0
Balances with the CBB	118.3	-	-	-	118.3
Due from banks	19.8	0.6	0.6	-	21.0
Settlements in progress from credit card companies	5.3	-	-	-	5.3
Securities at amortised cost	-	0.2	23.0	17.2	40.4
Securities at FVOCI	-	3.2	5.2	1.0	9.4
Assets held for managing liquidity risk (undiscounted)	**199.8**	**23.2**	**71.7**	**305.7**	**600.4**

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. BBL's and BBIL's 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.

BBL's and BBIL's ALCO periodically monitors interest rate gaps to estimate potential impact of changes in net interest income.

The following table presents interest rate gap analysis at 31 March 2019.

	Due on demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Non-repricing	Total
Rate sensitive asset							
Loans to customers (net of allowances)	20.2	0.5	18.4	78.0	112.4	-	229.5
Investment securities	-	71.7	31.8	20.4	8.9	-	132.8
GOB receivable (net of allowance)	-	-	-	-	-	41.2	41.2
Total rate sensitive assets	**20.2**	**72.2**	**50.2**	**98.4**	**121.3**	**41.2**	**403.5**
Rate sensitive liabilities	**85.6**	**50.1**	**129.8**	**4.3**	**-**	**-**	**269.8**
Interest sensitivity gap	**(65.4)**	**22.1**	**(79.6)**	**94.1**	**121.3**	**41.2**	**133.7**

The following table presents interest rate gap analysis at 31 March 2018.

	Due on demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Non-repricing	Total
Rate sensitive asset							
Loans to customers							
(net of allowances)	23.8	1.1	5.3	81.4	118.2	-	229.8
Investment securities	0.4	33.5	26.1	34.9	-	-	94.9
GOB receivable							
(net of allowance)	-	-	-	-	-	46.7	46.7
Total rate sensitive assets	**24.2**	**34.6**	**31.4**	**116.3**	**118.2**	**46.7**	**371.4**
Rate sensitive liabilities	**79.0**	**47.5**	**122.4**	**23.2**	**-**	**-**	**272.1**
Interest sensitivity gap	**(54.8)**	**(12.9)**	**(91.0)**	**93.1**	**118.2**	**46.7**	**99.3**

The following table presents interest rate gap analysis at 31 March 2017.

	Due on demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Non-repricing	Total
Rate sensitive asset							
Performing loans							
(net of allowances)	26.0	1.5	8.4	74.1	159.1	-	269.1
Investment securities	-	0.5	29.7	16.1	-	-	46.3
GOB receivable							
(net of allowance)	-	-	-	-	-	29.8	29.8
Total rate sensitive assets	**26.0**	**2.0**	**38.1**	**90.2**	**159.1**	**29.8**	**345.2**
Rate sensitive liabilities	**73.3**	**52.6**	**143.7**	**17.8**	**-**	**-**	**287.4**
Interest sensitivity gap	**(47.3)**	**(50.6)**	**(105.6)**	**72.4**	**159.1**	**29.8**	**57.8**

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 BBL's and BBIL's employees or other persons and force-majeure circumstances.

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

Operational risk is managed in accordance with internal policies developed by BBL that establish the responsibilities of the governing bodies of BBL and BBIL (and subunits) and procedures for identification, evaluation, monitoring and control of operational risks at all level of BBL's and BBIL's business-processes.

To minimise exposure to operational risk BBL and BBIL 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 BBL and BBIL 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 BBL and BBIL use the basic indicator approach. BBL and BBIL 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 BBL and BBIL operate.

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

Note 27 – Subsidiary companies

Name of company	Country of incorporation	% equity interest
BB Holdings Limited	Trinidad and Tobago	100%
B.B. International Limited	Saint Lucia	100%
Belize Bank International Limited	Belize	100%
Belize Corporate Services Limited	Belize	100%
Belize Corporate Services Limited	British Virgin Islands	100%
Belize Disaster Recovery Services Limited	Belize	100%
Belize Incorporation Services Limited	British Virgin Islands	100%
Belize Nominees Limited	British Virgin Islands	100%
Belize Portal Limited	Belize	100%
Belize Trust Company Limited	Belize	100%
BHI Treasury Limited	British Virgin Islands	100%
Harbour Investments Limited	Belize	100%
Pantheon Developments Limited	Belize	100%
The Belize Bank Limited	Belize	100%
BB Group Limited	Belize	100%
Westtown Group Limited	British Virgin Islands	100%

Note 28 – First-time adoption of IFRS

These are the Group's first consolidated financial statements prepared in accordance with IFRS. The date of transition is 1 April 2016.

The Group's IFRS accounting policies presented in Note 4 have been applied in preparing the consolidated financial statements for the year ended 31 March 2019, the comparative information and the opening statement of financial position at the date of transaction.

The Group has applied IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these first IFRS consolidated financial statements. There has been no material impact in transitioning to IFRS on the Group's reported equity, total comprehensive income, and reported cash flows; consequently, the financial statements under US GAAP are similar to those now presented under IFRS.

Note 29 – Subsequent events

Subsequent events have been evaluated through 27 September 2019, which is the date the consolidated financial statements of the Group were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the consolidated financial statements would be required. There have been no events subsequent to the balance sheet date that require adjustments or disclosure in the consolidated financial statements.

Corporate information

Directors	Lyndon Guiseppi Euric Bobb Cheryl Jones Peter Gaze Ydahlia Metzgen Philip Osborne Geraldine Davis Young each of: 212 North Front Street Belize City Belize Central America
Company Secretary	Philip Osborne Registered Office 212 North Front Street P.O. Box 1764 Belize City Belize Central America
Nominated Adviser (for AIM in the UK)	Cenkos Securities plc 6.7.8. Tokenhouse Yard London EC2R 7AS United Kingdom
Registrars	Link Market Services (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT Channel Islands
Share Trading	Caribbean Investment Holdings Limited ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange (AIM) under the symbol 'CIHL' and on the Bermuda Stock Exchange under the symbol 'CIHL'.

NP0919-3047
Northpoint Printing Limited

Caribbean Investment Holdings Limited