

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ATLANTIC BANK LIMITED

Report on the audit of the financial statements

Qualified opinion on International Financial Reporting Standards

We have audited the financial statements of **Atlantic Bank Limited (the Bank)**, which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on International Financial Reporting Standards section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion on International Financial Reporting Standards

The financial statements are prepared by the Bank on the basis of the financial reporting provisions of the Central Bank of Belize and the Domestic Banks and Financial Institutions Act as Amended (DBFIA) Practice Directions. The requirements of the financial reporting provisions of the Central Bank of Belize and the DBFIA Practice Directions represent a departure from IFRS. We are unable to determine the effects on the financial statements, of the variances between the financial reporting provisions of the Central Bank of Belize and the DBFIA Practice Directions and IFRS.

Opinion on Regulatory Basis of Accounting

We have audited the accompanying financial statements of Atlantic Bank Limited (the Bank), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and explanatory notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the Central Bank of Belize and the DBFIA.

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 Financial Statements section of our report. We are independent of the Bank 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 qualified opinion on IFRS and opinion on Regulatory Basis of Accounting.

Emphasis of Matter

We draw attention to Note 2.5 of the financial statements which discuss a global pandemic and recommendation for containment and mitigation measures worldwide. As a consequence, the Central Bank has released a set of monetary and macro-prudential instruments in response to the COVID-19 Pandemic. The sector specific instruments are described in more detail at noted 2.5. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Bank for the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 23 June 2020.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Bank. We remain solely responsible for our audit opinion.

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.



Report on Other Legal and Regulatory Requirements

Please see opinion on Regulatory Basis of Accounting.

The engagement partner on the audit resulting in this independent auditors report is Reynaldo Magaña.

Moore Magaña LLP.

Moore Magaña LLP
Chartered Accountants
Belize City, Belize
31 July 2021

Atlantic Bank Limited

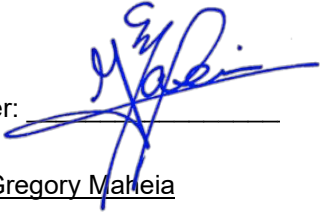
Statement of financial position

As at 31 December 2020

In Belize dollars

	Notes	2020	2019
Assets			
Cash and cash equivalents	3a, 4	25,834,964	37,504,292
Balances with the Central Bank of Belize	3b, 5	147,081,821	168,183,116
Due from banks (net of allowance)	3c, 6	122,988,075	67,824,589
Loans and advances to customers (net of allowance)	3d,3g,7	914,417,039	833,507,746
Securities	3d,8	152,376,509	51,127,726
Other assets and receivables	3d,3h, 9	8,080,416	10,806,908
Property and equipment	3k,10	32,703,488	29,137,519
Total assets		1,403,482,310	1,198,091,896
Liabilities			
Due to banks	11	7,506,012	-
Customer accounts	3d,12	1,225,554,539	1,029,849,477
Other liabilities and payables	3d, 3m, 3n,13	16,418,965	23,582,840
Total liabilities		1,249,479,516	1,053,432,317
Equity			
Share capital	3p, 14	64,000,000	64,000,000
Share premium		1,523,500	1,523,500
Statutory reserve	3q	29,736,569	26,693,174
Contingency reserve	3r	16,720,579	15,503,221
Securities reserve	3f	21,732,480	14,559,794
General loan loss reserve	3f	9,030,711	8,118,938
Retained earnings		11,258,955	14,260,952
Total equity		154,002,794	144,659,579
Total liabilities and equity		1,403,482,310	1,198,091,896

The financial statements from pages 5 to 9 were approved and authorised for issue by the Board of Directors on 31 July 2021 and were signed on its behalf by:

Signature of Chairman: Signature of Chief Financial Officer: Name of Chairman: David BuesoName of Chief Financial Officer: Gregory Maheia

Atlantic Bank Limited

Statement of comprehensive income

For the year ended 31 December 2020

In Belize dollars

	Notes	2020	2019
Interest income		72,590,855	66,760,078
Interest expense		(21,479,985)	(16,574,191)
Net interest income	3s,15	51,110,870	50,185,887
Charge of loss allowance for loans and advances to customers	3f,7	(1,258,108)	(8,109,159)
Net interest after charge of loss allowance for loans and advances to customers		49,852,762	42,076,727
Non-interest income	3s, 16	40,685,116	56,808,541
Non-interest expense	3s,17	(14,276,562)	(19,023,423)
Personnel expense	3n,3s,18	(43,570,072)	(36,707,886)
Other operating expense	3j, 3s, 19	(14,946,995)	(16,571,941)
Depreciation	3k,10	(2,689,912)	(2,684,822)
Net income before taxation		15,054,338	23,897,196
Taxation	3u, 20	(10,383,808)	(11,835,247)
Net income after tax and before other comprehensive income		4,670,529	12,061,947
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net gain on financial assets at FVOCI		7,172,686	7,944,427
Total comprehensive income for the year		11,843,215	20,006,374
Basic earnings per share	14	7.30	18.85

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