



**REPORT OF THE AUDITOR
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF
ATLANTIC BANK LIMITED**

We have audited the accompanying financial statements of Atlantic Bank Limited which comprise the statements of financial position as at 31st December 2013 and 2012 and the statements of comprehensive income, statements of changes in equity and cash flows for the years then ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

REPORT OF THE INDEPENDENT AUDITOR (continued)

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Atlantic Bank Limited as at 31st December 2013 and 2012 and of its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards and Domestic Bank and Financial Institution Act (2012) as specified in note 2 of these financial statements.

A handwritten signature in black ink that reads "Baker Tilly Hulse". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

Baker Tilly Hulse
Chartered Accountant
5th March 2014

Belize City,
Belize, C.A.

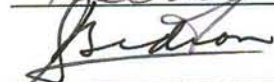
STATEMENTS OF FINANCIAL POSITION
31ST DECEMBER 2013 AND 2012

All amounts expressed in Belize Dollars

	Notes	2013	2012
Assets:			
Cash and balances with central bank	2, 3	159,588,240	139,405,548
Treasury bills	2	12,000,000	20,000,000
Loans and advances	2, 4	430,142,979	366,333,019
Less: specific loan loss reserve	2,4	(10,124,072)	(7,145,915)
Other assets	5	12,167,309	11,532,662
Investments	2, 6	10,488,155	8,039,143
Bank premises and equipment	2, 7	23,646,454	24,843,053
Total assets		<u>637,909,065</u>	<u>563,007,510</u>
Liabilities:			
Deposits	2, 8	563,521,974	493,463,395
Due to other banks	9	3,356,502	2,208,207
Other liabilities	10	16,598,233	16,763,626
Total liabilities		<u>583,476,709</u>	<u>512,435,228</u>
Contingent liabilities	11		
NET ASSETS		<u>54,432,356</u>	<u>50,572,282</u>
Shareholders' interest:			
Share capital			
Ordinary shares, authorized and issued 194,249/180,249 of \$100 par value each		<u>19,424,900</u>	<u>18,024,900</u>
Share premium		<u>1,523,500</u>	<u>1,523,500</u>
Retained earnings (page 4):			
Appropriated for legal reserve		15,457,070	14,651,813
Appropriated for contingencies reserve		11,631,349	11,309,247
Unappropriated		<u>2,149,000</u>	<u>1,455,332</u>
Total retained earnings		<u>29,237,419</u>	<u>27,416,392</u>
General loan loss reserve	2,4	<u>4,246,537</u>	<u>3,607,490</u>
SHAREHOLDERS' INTERESTS		<u>54,432,356</u>	<u>50,572,282</u>

Approved on behalf of the Board

 Director

 Director

Dated:

Auditor's report page 1.

The notes on pages 9 to 26 form an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME
 YEARS ENDED 31ST DECEMBER 2013 AND 2012

All amounts expressed in Belize Dollars

	Notes	2013	2012
Interest income	12	44,314,535	39,909,859
Interest expense	12	<u>(16,101,208)</u>	<u>(16,036,938)</u>
Net interest income		28,213,327	23,872,921
Fee and commission income	13	3,497,649	3,545,074
Fee and commission expense	13	<u>(2,774,437)</u>	<u>(2,321,959)</u>
Net fee and commission income		723,212	1,223,115
Dividend income	14	-	-
Net trading income	15	7,994,688	8,216,167
Other operating income	16	12,065,023	10,877,908
OPERATING INCOME		48,996,250	44,190,111
Provision for credit losses	17	(8,475,857)	(7,157,820)
Personnel expense	18	(19,114,376)	(18,074,397)
Other operating expenses	19	<u>(12,855,016)</u>	<u>(12,115,419)</u>
INCOME BEFORE TAXATION		8,551,001	6,842,475
BUSINESS TAX	20	<u>(5,329,974)</u>	<u>(4,607,120)</u>
NET INCOME		<u>3,221,027</u>	<u>2,235,355</u>
Earnings per share	21	21	15

The notes on pages 9 to 26 form an integral part of these financial statements