MMG BANK & TRUST LTD.

Financial Statements For The Year Ended September 30, 2015 And Independent Auditors' Report

Deloitte.

MMG BANK & TRUST LTD.

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Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MMG Bank & Trust Ltd.:

We have audited the accompanying financial statements of MMG Bank & Trust Ltd. (the "Bank") which comprise the statement of financial position as at September 30, 2015, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 as to whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the Bank'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 Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 MMG Bank & Trust Ltd. as at September 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

March 1, 2016

MMG BANK & TRUST LTD.

STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015
(Expressed in United States dollars)

		2015	2014
ASSETS			
Due from banks (Notes 5 and 10)			
Non-interest earning deposits		$ 14,722,556	$ 12,270,252
Interest earning deposits		23,163,303	19,912,636
Total due from banks		37,885,859	32,182,888
Securities available-for-sale (Notes 6 and 13)		83,891,174	82,640,926
Loans receivable (Notes 7, 10 and 13)		78,394,156	18,624,602
Furniture and equipment (Note 9)		352,070	396,829
Other assets (Note 10)		635,657	411,622
TOTAL ASSETS		$ 201,158,916	$ 134,256,867
LIABILITIES AND EQUITY			
LIABILITIES:			
Customers' non-interest bearing deposits (Notes 10 and 13)		$ 61,633,660	$ 45,568,280
Customers' interest bearing deposits (Notes 10 and 13)		112,866,638	65,133,137
Securities sold under repurchase agreements		1,459,621	
Other liabilities (Note 10)		403,868	945,822
Total liabilities		176,363,787	111,647,239
EQUITY:			
Common stock, with a par value of $1 per share; authorized, issued and outstanding: 5,000,000		5,000,000	5,000,000
Statutory loan loss reserve (Note 8)		678,006	53,948
Fair value reserve		(1,998,800)	(3,225)
Retained earnings		21,115,923	17,558,905
Total equity		24,795,129	22,609,628

See notes to financial statem

These statements are signed

MMG BANK & TRUST LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Expressed in United States dollars)

	2015	2014
INTEREST INCOME		
Loans (Note 10)	$ 1,627,955	$ 846,291
Securities	998,425	796,071
Time deposits (Note 10)	284,122	298,027
Total interest income	2,910,502	1,940,389
INTEREST EXPENSE (Note 10)	(1,030,042)	(480,442)
Net interest income	1,880,460	1,459,947
Commissions	3,259,608	3,129,818
Reversal of provision for doubtful loans receivable (Notes 7 and 8)	113,904	(198)
Net interest and commission income after provisions	5,253,972	4,589,567
OTHER INCOME		
Realized gain on sale of securities (Note 6)	294,861	259,461
Other income	262,361	201,910
Total other income	557,222	461,371
Total operating income	5,811,194	5,050,938
DEPRECIATION EXPENSE (Note 9)	(209,586)	(198,022)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 10)	(1,420,532)	(1,117,804)
NET INCOME	4,181,076	3,735,112
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to net income:		
Gain (loss) on change in valuation of securities (Note 6)	(1,995,575)	287,211
TOTAL COMPREHENSIVE INCOME	$ 2,185,501	$ 4,022,323

See notes to financial statements.

MMG BANK & TRUST LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Expressed in United States dollars)

	Common Shares	Reserve	Fair Value Reserve	Retained Earnings	Total
Balance at September 30, 2013	$ 5,000,000	$ -	$ (290,436)	$ 13,877,741	$ 18,587,305
Reserve for doubtful loans	-	53,948	-	(53,948)	-
Net change in fair value reserve	-	-	546,672	-	546,672
Realized gain recognized in net income	-	-	(259,461)	-	(259,461)
Net income	-	-	-	3,735,112	3,735,112
Balance at September 30, 2014	5,000,000	53,948	(3,225)	17,558,905	22,609,628
Reserve for doubtful loans (Notes 7 and 8)	-	624,058	-	(624,058)	-
Net change in fair value reserve	-	-	(1,700,714)	-	(1,700,714)
Realized gain recognized in net income	-	-	(294,861)	-	(294,861)
Net income	-	-	-	4,181,076	4,181,076
Balance at September 30, 2015	$ 5,000,000	$ 678,006	$ (1,998,800)	$ 21,115,923	$ 24,795,129

See notes to financial statements.

MMG BANK & TRUST LTD.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Expressed in United States dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,181,076	$ 3,735,112
Adjustments for non-cash items:		
Depreciation (Note 9)	209,586	198,022
Reversal of provision for doubtful loans receivable (Note 7)	(113,904)	198
Realized gain on sale of securities (Note 6)	(294,861)	(259,461)
Interest income	(2,910,502)	(1,940,389)
Interest expense	1,030,042	480,442
	2,101,437	2,213,924
Changes in operating assets and liabilities:		
(Increase) decrease in due from banks	(983,781)	882,532
Increase in loans receivable	(59,655,650)	13,746
Increase in other assets	(224,035)	(113,742)
Increase (decrease) in customers' deposits	63,798,881	(11,403,717)
Decrease in other liabilities	917,667	851,429
Interest received	2,910,502	1,940,389
Interest paid	(1,030,042)	(480,442)
Net cash from (used in) operating activities	7,834,979	(6,095,881)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of securities available-for-sale (Note 6)	(349,844,041)	(439,182,761)
Proceeds from sales and redemptions of securities available-for-sale (Note 6)	346,893,079	449,835,658
Purchase of furniture and equipment (Note 9)	(164,827)	(196,812)
Net cash (used in) from investing activities	(3,115,789)	10,456,085
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,719,190	4,360,204
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 5)	24,001,765	19,641,561
END OF YEAR (Note 5)	$ 28,720,955	$ 24,001,765

See notes to financial statements.

MMG BANK & TRUST LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Expressed in United States dollars)

1. GENERAL

MMG Bank & Trust Ltd. (the "Bank") is a limited liability company established under The Companies Act, 1992 of The Commonwealth of The Bahamas and is licensed under the Banks and Trust Companies Regulation Act, 2000 to carry on trust and banking services. The Bank's objective is to promote and participate in all kinds of banking, financing and investing activities from The Commonwealth of The Bahamas.

The Bank is a wholly-owned subsidiary of MMG Bank Corporation (the Parent company) which is incorporated in the Republic of Panama and in turn is a wholly-owned subsidiary of MMG Capital Holdings Inc. (the ultimate Parent company) which is incorporated in The Commonwealth of The Bahamas.

The Bank's registered office is located at Saffrey Square, 1st Floor, Nassau, Bahamas.

2. NEW AND REVISED INTERNATIONAL ACCOUNTING STANDARDS AND INTERPRETATIONS

In the current year, there were several new and amended Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB effective for annual reporting periods beginning on or after October 1, 2014. The adoption of these Standards and Interpretations has not led to any changes in the Bank's accounting policies.

a. ***Standards and Interpretations effective but not affecting the reported results or financial position***

IFRS 3	(Amended) Business Combinations
IFRS 7	(Amended) Financial Instruments: Disclosures-Offsetting of Assets and Liabilities
IFRS 10	(Amended) Consolidated Financial Statements-Investment Entities
IFRS 12	Disclosure of Interests in Other Entities-Investment Entities
IFRS 13	Fair Value Measurements
IAS 1	(Amended) Presentation of Financial Statements
IAS 7	Statement of Cash Flows
IAS 12	(Amended) Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	(Revised 2011) Employee Benefits
IAS 21	The Effect of Changes in Foreign Exchange Rates
IAS 24	(Revised 2009) Related Party Disclosures
IAS 27	(Revised 2011) Consolidated and Separate Financial Statements
IAS 28	(Revised 2011) Investments in Associates and Joint Ventures
IAS 32	(Amended) Financial Instruments: Presentation- Offsetting of Assets and Liabilities

IAS 34	(Amended) Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 39	Financial Instruments
IFRIC 13	(Amended) Customer Loyalty Programmes
IFRIC 14	(Amended) Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above standards have not led to changes in the financial position of the Bank during the current year.

b. ***Standards and Interpretations in issue but not yet effective***

IFRS 9	(Amended) Financial Instruments
IFRS 10	(Amended) Consolidated Financial Statements-Consolidation Exception
IFRS 12	(Amended) Disclosure of Interests in Other Entities-Consolidation Exception
IFRS 13	(Amended) Fair Value Measurements
IFRS 15	Revenue from Contracts with Customers
IAS 19	(Revised 2013) Employee Benefits

Management has not assessed whether the relevant adoption of these standards and interpretations in future periods will have a material impact on the financial statements of the Bank.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below, and have been consistently applied to all years presented, unless otherwise noted.

a. ***Basis of presentation*** - These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale securities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

b. ***Cash and cash equivalents*** - For purposes of the cash flow statement, the Bank considers as cash and cash equivalents all deposits with an original contractual maturity of three months or less.

c. ***Interest income and expense*** - Interest income and expense are recognized in the statement of comprehensive income for all interest bearing instruments under the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

d. ***Commission income*** - Commissions are generally recognized in the statement of comprehensive income on an accrual basis. However, loan origination fees are deferred and recognized as an adjustment to the effective yield on the loan.

e. ***Financial assets*** - Financial assets are classified in the following four categories: financial assets at fair value through profit or loss; loans receivable; held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at their initial recognition.

Purchases and sales of financial assets at fair value through profit or loss, held to maturity and available-for-sale are recognized at the trade date, which is the date the Bank commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or when the Bank has transferred substantially all risks and rewards of ownership.

i. ***Financial assets at fair value through profit or loss*** - This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

ii. ***Loans and receivables*** - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivable including trade and other receivable, bank balances and cash are maintained at amortized cost using the effective interest method less any impairment.

iii. ***Held-to-maturity*** - Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intent and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held to maturity assets, the entire category would be reclassified as available-for-sale.

iv. ***Available-for-sale*** - Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the statement of comprehensive income in the year in which they arise. Gain and losses arising from changes in the fair value of available-for-sale investments are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized. At that time, the cumulative gain or loss previously derecognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

However, interest calculated using the effective interest method is recognized in the statement of comprehensive income. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive income when the Bank's rights to receive payment is established.

The fair value of quoted investments in active markets is based on current bid prices. If the market for a financial asset is not active or as for unlisted securities, the Bank establishes the fair value by using valuation techniques, that include the use of recent arm's-length transactions, discounted cash flows analysis and other valuation techniques commonly used by market participants. Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

f. Impairment of financial assets

i. ***Assets carried at amortized cost*** - At each reporting sheet date, the Bank assesses whether there is objective evidence that a financial asset or group of financial assets carried at amortized cost is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, such as a "loss event", and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss event:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization measures;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease is the estimated future cash flows from a group of financial assets since the initial recognition of

those assets, although the decrease cannot yet be identified with the individual financial assets in the Bank.

The Bank assesses whether objective evidence of impairment exists individually for financial assets that are significant, and collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written-off when all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent year, the amount of the impairment loss can be related objectively to an event occurring after the impairment loss is accounted for, it can be reversed by adjusting the reserve account. The amount of the reversal is recognized in the statement of comprehensive income.

ii. ***Assets carried at fair value*** - On each statement of financial position date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in other comprehensive income is removed from equity and recognized in the statement of comprehensive income. Impairment losses recognized in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income. If, in a subsequent year, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

g. ***Furniture and equipment*** - Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the related assets:

Office equipment	3 years
Software	3 years

h. ***Translation of foreign currencies*** - Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in United States dollars, which is the Bank's functional and presentation currency. Monetary assets and liabilities in currencies other than the United States dollar are translated at rates of exchange prevailing at the year-end. Income and expenses in currencies other than the United States dollar are translated at rates of exchange existing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

i. ***Repurchase agreements*** - Securities sold under agreements to repurchase ("repurchase agreements") are treated as collateralized financings and are recognized initially at fair value, being the amount of cash disbursed and received, respectively. The party disbursing the cash takes possession of the securities serving as collateral for the financing and having a market value equal to, or in excess of, the principal amount loaned. The securities delivered under repurchase agreements are not derecognized from the statement of financial position, because the risks and rewards of ownership are not relinquished.

The Fund has chosen to apply the fair value option to repurchase agreement.

Interest incurred on repurchase agreements is reported as interest expense.

j. ***Fiduciary account and assets under administration*** - No account is taken in the financial statements of fiduciary accounts or assets and liabilities of clients administered by the Bank, other than those assets and liabilities which relate to the banking services provided.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments 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.

a. ***Fair value of financial instruments*** - Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. The best evidence of fair value is quoted price in an active market. In some cases, however, the financial instruments are not typically exchangeable or exchanged and therefore it is difficult to determine their fair value. In these cases, the Bank considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three- level hierarchy:

Level 1 Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from the prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Since the calculation of fair value is based on management's estimates, which involve uncertainties, the actual fair value realised in a sale or immediate settlement of the instruments may differ from the estimated amount. The use of the above hierarchy acts as an indicator of the potential variance of the actual amount realized to the estimated amount in each group of financial instruments.

b. ***Impairment loss on loan receivable*** - The Bank reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a loan portfolio before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

c. ***Impairment of available-for-sale investments*** - The Bank determines that available-for-sale investments are impaired when there has been a significant and prolonged decline in the fair value below its cost. This determination of what is significant and prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the issuer, industry and sector performance, changes in technology and operating and financing cash flows.

d. ***Held to maturity investments*** - The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with determinable payments and fixed maturities as held to maturity. This classification requires significant judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available for sale. The investments would therefore be measured at fair value not amortized cost.

5. DUE FROM BANKS

Due from banks is detailed as follows:

	2015	2014
Non-interest earning deposits	$ 14,722,556	$ 12,270,252
Interest earning deposits	23,163,303	19,912,636
Total due from banks	37,885,859	32,182,888
Interest earning deposits, with original contractual maturity of more than three months	(9,164,904)	(8,181,123)
Cash and cash equivalents	$ 28,720,955	$ 24,001,765

6. SECURITIES AVAILABLE-FOR-SALE

Securities available-for-sale are described as follows:

	2015	2014
At fair value		
Institutional cash funds rating AAA by International Agencies	$ 5,232,271	$ 15,883,113
Debt securities with rating "BBB-" or better	61,723,427	63,131,219
Debt securities with rating below "BBB-"	6,097,676	1,678,910
Debt securities and equity securities - no rating	10,837,800	1,947,684
	$ 83,891,174	$ 82,640,926

Investments in institutional cash funds are highly liquid, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

The movement in securities available-for-sale is summarized as follows:

	2015	2014
Balance at beginning of year	$ 82,640,926	$ 92,747,151
Purchases	349,844,041	439,182,761
Sales and redemptions	(346,598,218)	(449,576,197)
Net change in fair value reserve	(1,700,714)	546,672
Realized gain on sale of securities	(294,861)	(259,461)
	$ 83,891,174	$ 82,640,926

7. LOANS RECEIVABLE

Loans receivable are summarized as follows:

		2015		2014
Commercial	$	54,970,263	$	10,213,388
Personal		12,674,550		4,296,696
Overdraft		9,769,440		2,656,996
Mortgage		979,903		1,571,426
		78,394,156		18,738,506
Provision for doubtful loan receivable		-		(113,904)
	$	78,394,156	$	18,624,602

As of September 30, 2015, 65% (2014: 39%) of the loans receivable were fully collateralized by customers' deposits placed with the Bank. There were no loans past due or signs of receivables as at September 30, 2015.

8. LOAN RESERVE

The Bank maintains a minimum 1% loan allowance on loans without collateral cash through a combination of provision for doubtful loan receivable or loan reserve as per requirement of the Central Bank of the Bahamas ("CBB"). The movement in this allowance for loan receivables is as follows:

		2015		2014
Balance at beginning of year	$	113,904	$	113,706
Increase in provision and loan reserve		160 948		198
	$	274,852	$	113,904

In the prior year the Bank applied the allowance as a provision against loans receivable, in the current year it is being shown as an equity movement from retained earnings to reserves.

The Bank also maintains a statutory loan reserve equal to the requirements of the Republic of Panama Superintendency of Banks. Those requirements stipulate a specific and dynamic reserve which is greater than the 1% generic loan allowance of CBB.

		2015		2014
Balance at beginning of year	$	167,852	$	113,706
Increase in 1% generic allowance by CB		160,948		198
Increase in provision for statutory reserve		349,206		53 948
	$	678,006	$	167,852

9. FURNITURE AND EQUIPMENT

Furniture and equipment comprise:

	Office Furniture and Equipment	Computer Equipment	Total
COST:			
Balance at September 30, 2013	$ 9,519	$ 1,870,406	$ 1,879,925
Additions	-	196,812	196,812
Balance at September 30, 2014	9,519	2,067,218	2,076,737
Additions	-	164,827	164,827
Balance at September 30, 2015	$ 9,519	$ 2,232,045	$ 2,241,564

	Office Furniture and Equipment	Computer Equipment	Total
ACCUMULATED DEPRECIATION:			
Balance at September 30, 2013	$ 9,519	$ 1,472,367	$ 1,481,886
Depreciation	-	198,022	198,022
Balance at September 30, 2014	9,519	1,670,389	1,679,908
Depreciation	-	209,586	209,586
Balance at September 30, 2015	$ 9,519	$ 1,879,975	$ 1,889,494
CARRYING VALUE:			
As at September 30, 2015	$ -	$ 352,070	$ 352,070
As at September 30, 2014	$ -	$ 396,829	$ 396,829

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of September 30, 2015 and for the year then ended, the Bank had the following significant balances and transactions with related parties:

	2015	2014
Assets		
Due from banks	$ 13,484,431	$ 7,590,877
Loans receivable	$ 4,393,277	$ 1,395,360
Other assets	$ 120,241	$ 25,000
Liabilities		
Customers' deposits	$ 40,300,679	$ 34,567,777
Other liabilities	$ 204,379	$ 706,820

	2015	2014
Income and Expenses		
Interest income on loans receivable	$ 176,460	$ 141,139
Interest income on time deposits	$ 188.186	$ 188.384
s		
Commi sion income	$ 243,092	$ 318,005
Interest expense	220,049	251,891
General and administrative expenses	$ 120,000	$ 96,719
Salaries of key management personnel	127 837	$ 203,617

11. INCOME TAXES

The Bank is not subject to income tax in The Bahamas.

12. FIDUCIARY ACTIVITIES

The Bank provides asset management and custodial services for customers. As of September 30, 2015, the value of assets under administration amounted to $498,501,234 (2014: $427,177,037). The Bank does not anticipate any loss as a result of the services provided.

13. FINANCIAL RISK MANAGEMENT

Objectives of the administration of financial risks

Given the nature of its operations, the Bank is exposed to different financial risks that could threaten their business objectives, reason why the proactive identification and understanding of the significant risks the Bank faces, is critical to obtain an appropriate balance between the risk and the return, and to mitigate potential adverse effects on its financial accomplishment.

The administration and control of the Bank's risks fall mainly on the Board of Directors, which is responsible for establishing and integrating the strategic direction of the organization, its business approach and its corporative values.

The Board of Directors has established the Audit Committee and Risk Management, with specific functions and responsibilities for the adequate handling of the Bank's risks. This committee is integrated by independent members of the Board of Directors from the Administration and attends the Board of Directors in the fulfillment of their responsibilities related to monitoring the administration and control of the Bank's inherent risks and with other subjects related to the audit area such as financial statements integrity, quality and performance of the internal and external auditors, and fulfillment of the Bank with the legal and regulatory requirements, as well as with the policies and ethical behaviors established by the Board of Directors.

This committee has hired Moore Stephens to provide internal audit. The Internal audit supports the monitoring of the Bank's Committee of Audit and Risk Management by evaluating the Bank's processes of management of risks and internal control. This Internal Audit presents recommendations to mitigate the risk.

The Board of Directors delegates to Management the responsibility of handling the day to day Bank's operations. The Committee of Audit and Management of risks watches its identification, evaluation and handling of the inherent risks of the Bank classified as: financial risks, capital adequacy, credit, liquidity, market risks, operational risks, fraud and reputational risk.

Management has also established other administrative committees through which it evaluates and follows up on the different subjects such as the Bank's operations and risks. Between these the following ones stand out:

Assets and Liabilities Committee (ALCO): Its purpose is to optimize and oversee financial resources of the Bank, minimizing the exposure to interest rate, market and liquidity risks. Its functions include the analysis and follow up of policies related to the market, liquidity and interest rate risk. Additionally, it reviews the economic tendencies and expectations of interest rates, it establishes assets and liabilities rates and it follows up on the compliance with internal policies and external regulations.

Credit Committee: Its main objective is to establish policies for the administration and the control of the credit risk, to establish measurement systems of credit risk, evaluation and classification of the loan portfolio, constitution of provisions to mitigate the credit risk, assess guarantees and compliance with internal policies and regulations.

The Bank is subject to the regulations of The Central Bank of the Bahamas and The Securities Commission of the Bahamas, in regard to risk concentrations, liquidity and capitalization, among others. Therefore, Management must deliver a series of reports to achieve an appropriate flow of information both internally and externally to ensure the transparency of Administration and Corporate Governance.

The main financial risks identified by the Bank are the risks of credit, liquidity, market and operational, which are described below.

Credit risk administration

Credit risk is the risk of losses resulting from a borrower that does not pay on time and in full its obligations or where a counterparty fails to comply with a contractual obligation before settling a contract and the effect of having to replace the transaction to square the position.

Financial assets that potentially present a credit risk for the Bank are loans with other guarantees, portfolio investments and bank deposits.

The Bank structures acceptable levels of credit risk by establishing policies and procedures for a single borrower, group of borrowers, and geographical segment. The risk exposure is covered mainly by obtaining guarantees.

[illegible]

It is important to mention that as of September 30, 2014, 39% (2013: 39%) of the portfolio of loans were backed by cash deposits. The rest of the portfolio is guaranteed by real estate, bonds and other guarantees.

The total loan portfolio of the Bank is classified as "normal" and does not present any kind of deterioration. As a result, the Bank has no overdue loans, and only has general reserve of 1% of loans net of guarantees required by the regulator.

The table below analyzes the loan portfolio of the Bank which is exposed to credit risk and its assessment:

Gross amount	$	78,394,156	$	18,738,506	$	50,766,852	$	7,304,193
Provision				11				
Book value	$	78,394,156	$	18,624,602	$	50,766,852	$	7,304,193

The Bank monitors the concentration of credit risk by sector and geographic location. The analysis of the credit risk concentration related to the date of the financial statements is as follows:

	Loans		Securities	
	2015	2014	2015	2014
Concentration by sector:				
Corporate	$ 54,970,263	$ 10,213,388	$ 72,189,136	$ 31,781,038
Consumer	23,149,041	8,525,118	-	-
Other	-	-	11,702,038	50,859,888
	$ 78,119,304	$ 18,738,506	$ 83,891,174	$ 82,640,926

	Assets		Liabilities	
	2015	2014	2015	2014
Geographic concentration:				
USA	$ 67,748,360	$ 47,807,657	$ 3,560,965	$ 1,796,059
Panama	50,303,425	32,123,659	91,516,125	57,148,218
Europe	32,559,586	21,816,124	13,615,293	5,062,710
South America	28,977,013	10,183,040	12,603,960	3,179,919
Bahamas	32,102	5,111,896	19,053,897	15,480,573
Others	12,357,683	11,687,908	1,183,023	7,429,168
Central America and The Caribbean	9,180,747	5,526,583	34,830,524	21,550,592
	$ 201,158,916	$ 134,256,867	$ 176,363,787	$ 111,647,239

Exposure to credit risk is managed by the Credit Committee and the Assets and Liabilities Committee, through periodic analysis of the capacity of existing and potential borrowers' capacity to meet their obligations and the analysis of the investment portfolio. Both committees are authorized to evaluate and recommend to the Board changes in credit limits when they are appropriate.

Through the Assets and Liabilities Committee, the Bank analyzes the repayment ability of various issuers and banks in international markets and recommends limits to the Board (based on capital) that can be placed on each using as a reference portfolio risk ratings of recognized international rating agencies like Standard & Poors, Moody's Investor Services and Fitch Ratings.

Income from conservative asset management, the deposits portfolio and investments are highly diversified and mostly placed in investment grade institutions.

The information in the table below shows the assets composition of the Bank. As of September 30, 2015 the Bank had placed 81% (September 30, 2013: 81%) of their assets in deposits in banks of investment-grade and debt issuers and assets secured by cash deposits.

The following table details the analysis of the Bank's investment portfolio, under the category of investment and accounting recognition:

		2015			2014	
		Amount	Percentage		Amount	Percentage
Loan secured by cash deposits	$	50,868,840	25%	$	7,304,193	5%
Cash in Banks with investment grade rating		22,503,829	11%		22,897,191	17%
Securities with investment grade rating		66,955,698	33%		79,014,332	59%
Sub-total		140,328,367	69%		109,215,716	81%
Loans with other guarantees than cash		27,525,316	14%		11,320,409	9%
Cash in Banks without investment grade rating		15,382,030	8%		9,285,697	7%
Securities without investment grade rating		6,097,676	3%		1,678,910	1%
Securities without rating		10,837,800	5%		1,947,684	1%
Other assets		987,727	1%		808,451	1%
Total other		60,830,549	31%		25,041,151	19%
Total assets	$	201,158,916	100%	$	134,256,867	100%

Liquidity risk or funding

Liquidity risk is the risk that the Bank is unable to meet all its obligations. To mitigate this risk, the Bank maintains strict liquidity policies backing management of customers' deposits. The Bank's policy requires that at least the following deposits to be in liquid assets: 50% of the deposits on demand and overnights, 50% of the time deposits until 180 days and 100% of the funds held in "escrow" accounts. Additionally, the Bank requires that the negative gaps between assets and liabilities be covered at all times with granted committed credit facilities and secondary liquidity which consists of high quality money market instruments with an active market.

It should be noted that compliance with the liquidity policies is monitored by the Assets and Liabilities Committee and the Board of Directors through the Audit and Risk Management Committee.

The following is an analysis of the assets and liability maturity (assets include several fixed assets) and liabilities based on the period remaining at the date of the statement of financial position until the contract expiration date:

	2015					
	Without Maturity	0 - 3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year	Total
Assets						
Due from banks	$ 21,236,880	$ 7,484,075	$ 9,164,904	$ -	$ -	$ 37,885,859
Securities	6,305,241	2,615,159	56,524,335	7,628,612	10,817,827	83,891,174
Loans receivable	9,769,440	7,699,402	41,760,128	14,019,114	5,146,072	78,394,156
Other assets	987,573	-	-	154	-	987,727
Total assets	$ 38,299,134	$ 17,798,636	$ 107,449,367	$ 21,647,880	$ 15,963,899	$ 201,158,916
Liabilities						
Customers' deposits	$ 112,222,353	$ 12,111,472	$ 43,326,576	$ 2,327,397	$ 4,512,500	$ 174,500,298
Other liabilities	404,427	-	-	-	1,459,062	1,863,489
Total liabilities	$ 112,626,780	$ 12,111,472	$ 43,326,576	$ 2,327,397	$ 5,971,562	$ 176,363,787
Net liquidity gap	$ (74,327,646)	$ 5,687,164	$ 64,122,791	$ 19,320,483	$ 9,992,337	$ 24,795,129

	2014					
	Without Maturity	0 - 3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year	Total
Assets						
Due from banks	$ 16,545,545	$ 7,456,220	$ 5,026,441	$ 3,154,682	$ -	$ 32,182,888
Securities	15,972,079	39,256,720	15,405,708	6,078,978	5,927,441	82,640,926
Loans receivable	2,543,093	1,456,319	599,401	1,764,843	12,260,946	18,624,602
Other assets	808,451	-	-	-	-	808,451
Total assets	$ 35,869,168	$ 48,169,259	$ 21,031,550	$ 10,998,503	$ 18,188,387	$ 134,256,867
Liabilities						
Customers' deposits	$ 78,922,827	$ 21,362,557	$ 1,010,284	$ 2,823,144	$ 6,582,605	$ 110,701,417
Other liabilities	945,822	-	-	-	-	945,822
				2,823,144	$ 6,582,605	[illegible]
Total liabilities / Net liquidity gap	$ [illegible]	$ 21,362,557	$ 1,010,284	$		$ 111,647,239
		$ 26,806,702	$ 20,021,266	$ 8,175,359	$ 11,605,782	$ 22,609,628

The table below shows the undiscounted cash flows from the financial liabilities of the Bank, based on their nearest maturity possible. The expected flow of these instruments can vary significantly over time:

	Book Value	Nominal Gross	Without Maturity	Until 3 months	From 3 months to 1 year	From 1 to 5 years
2015						
Customers' deposits	$ 174,500,298	$ 179,015,486	$ 112,222,353	$ 12,135,145	$ 44,083,740	$ 10,574,249
	$ 110,701,417	$ 110,934,600	$ 778,922,829	$	3,929,238	

Market risk

Market risk is that in which the value of a financial asset is reduced due to changes in interest rates, in monetary exchange rates, in stock prices, and other financial variables, as well as the reaction of the market participants to political and economic events.

The Bank mitigates its market risk through a policy of diversification of investment and limits risk rating, maturity and type of assets.

Additionally, the Bank's investment policies set the limits for the placement of medium-and long-term positions reducing the exposure of assets sensitive to changes in market expectations. For unsecured loans, there is flexibility under contract by the Bank to vary interest rates at its discretion.

Interest Rate Risk is the risk associated with a decrease in future cash flows and the value of a financial instrument due to changes in market interest rates.

The table below summarizes the Bank's exposure to interest rate risks. The assets and liabilities of the Bank are included in the table at book value, sorted by categories and for which comes first among the new rate-setting contract or expiration dates.

	2015					
	0 - 3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year	Non Interest Bearing	Total
Assets						
Due from banks	$ 6,514,324	$ 7,484,075	$ 9,164,904		$ 14,722,556	$ 37,885,859
Securities	13,242,266	2,615,159	51,524,386	16,509,363	-	83,891,174
Loans receivable	9,769,440	7,699,402	41,760,128	14,019,114	5,146,072	78,394,156
Other assets	-	-	-	-	987,727	987,727
Total assets	$ 29,526,030	$ 17,798,636	$ 102,449,418	$ 30,528,477	$ 20,856,355	$ 201,158,916
Liabilities						
Customers' deposits	$ 50,588,693	$ 12,111,472	$ 43,326,576	$ 6,839,897	$ 61,633,660	$ 174,500,298
Other liabilities	-	-	-	1,459,062	404,427	1,863,489
Total liabilities	$ 50,588,693	$ 12,111,472	$ 43,326,576	$ 8,298,959	$ 62,038,087	$ 176,363,787
Mismatch	$ (21,062,663)	$ 5,687,164	$ 59,122,842	$ 22,229,518	$ (41,181,732)	$ 24,795,129
Mismatch accumulated	$ (21,062,663)	$ (15,375,499)	$ 43,747,343	$ 65,976,861	$ 24,795,129	$ -
Inc 50 bps	$ (105,313)	$ 28,436	$ 295,614	$ 111,148	$ (205,909)	$ 123,976
Dec 50 bps	$ 105,313	$ (28,436)	$ (295,614)	$ (111,148)	$ 205,909	$ (123,976)

	2014					
	0 - 3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year	Non Interest Bearing	Total
Assets						
Due from banks	$ 11,731,513	$ 5,026,441	$ 3,154,682	$ -	$ 12,270,252	$ 32,182,888
Securities	56,717,398	13,908,017	6,078,978	5,927,441	9,092	82,640,926
Loans receivable	3,999,411	599,401	1,764,843	12,260,947	-	18,624,602
Other assets	-	-	-	-	808,451	808,451
Total assets	$ 72,448,322	$ 19,533,859	$ 10,998,503	$ 18,188,388	$ 13,087,795	$ 134,256,867
Liabilities						
Customers' deposits	$ 54,717,104	$ 1,010,284	$ 2,823,144	$ 6,582,605	$ 45,568,280	$ 110,701,417
Other liabilities	-	-	-	-	945,822	945,822
Total liabilities	$ 54,717,104	$ 1,010,284	$ 2,823,144	$ 6,582,605	$ 46,514,102	$ 111,647,239
Mismatch	$ 17,731,218	$ 18,523,575	$ 8,175,359	$ 11,605,783	$ (33,426,307)	$ 22,609,628
Mismatch accumulated	$ 17,731,218	$ 36,254,793	$ 44,430,152	$ 56,035,935	$ 22,609,628	$ -
Inc 50 bps	$ 88,656	$ 181,274	$ 222,151	$ 280,180	$ -	$ 772,261
Dec 50 bps	$ (88,656)	$ (181,274)	$ (222,151)	$ (280,180)	$ -	$ (772,261)

Operational risk

Operational risk is the risk of losses, direct or indirect, resulting from inadequate or failures of internal processes, personnel, systems or external events.

Our definition of Operational risk includes the process risk, technological risk and fraud and mismanagement risk.

The objective of operational risk management is to

- Minimize the day to day losses and reduce the potential occurrence of more incidents;
- Improve the Bank's ability to achieve its objectives;
- Strengthen the overall risk management system.

To mitigate these risks, the Bank has policy and procedure manuals of their processes in which it sets the levels of segregation of duties, levels of approval and authorization, training, bank reconciliations, business continuity plans, technological security policies and banking security, Human resources policies, code of ethics and conduct, among others.

Additionally, the Bank has an anti-fraud program that includes policies and guidelines to prevent and manage the risk of fraud, and to ensure its early detection. The Anti-fraud program includes a policy that sets out clearly which is the position of management with respect to fraud, what actions constitute fraud, who are the persons responsible for its prevention, detection and investigation, as well as the procedure for complaints.

Capital management

Within the financial risks to which the Bank is exposed, there is the risk that the Bank's capital does not support its activities and growth.

According to the Supervisory and Regulatory Guideline: 2005-03 of the Central Bank of The Bahamas, licensed banks must maintain a ratio of total regulatory capital to the risk-weighted asset (the "Basel ratio") at or above the internationally agreed minimum of 8%.

As of September 30, 2015, the Bank's capital adequacy ratio was 33% (2014: 33%).

Fair value of financial instruments

The estimated fair value is the amount by which the financial instruments can be traded in a common transaction between concerned parties, in very different conditions than forced sale or liquidation, and is best evidenced by market quotes, if any.

The fair value estimates are made for a specific date, based on estimates of market and information on financial instruments. These estimates do not reflect any premium or discount that may result from the offer for sale of a particular financial instrument at a given date. These estimates are subjective by nature, involve uncertainty and longer time period, therefore, cannot be determined accurately. Any change in the assumptions or criteria can significantly affect the estimates.

The following is a summary of the assumptions used in estimating the fair value of the Bank's most important financial instruments:

Due from banks

The book value of due from banks is approaching its fair value because of their liquidity and short-term maturity.

Securities available-for-sale

The fair value of securities available-for-sale and securities held to maturity is based on market prices or in the price of similar instruments, based on expected cash flows on such investments.

Loans receivable

The loan portfolio is 65% secured (2014: 39%) by cash deposits, so its value to record is close its estimated value of recovery. In addition, the Bank has loans receivable whose interest rates are close to interest rates prevailing in the market for loans with similar terms and conditions.

Customers' deposits

The fair value of customers' deposits without specific maturity, such as due on demand deposits, is the amount payable at call, which is equivalent to the value based on books.

The fair value of customers' deposits is close to its carrying amount, because they maintain terms and conditions similar to instruments of similar nature.

The following table summarizes the carrying amount and estimated fair value of the main financial assets and liabilities:

	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Non-interest earning deposits	$ 14,722,556	$ 14,722,556	$ 12,270,252	$ 12,270,252
Interest earning deposits	23,163,303	21,605,494	19,912,636	19,968,713
Securities	83,891,174	83,891,174	82,640,926	82,640,926
Loans receivable	78,119,304	87,713,158	18,624,602	18,064,312
Total assets	$ 199,896,337	$ 207,932,382	$ 133,448,416	$ 132,944,203
Liabilities				
Non-interest bearing deposits	$ 61,633,660	$ 61,633,660	$ 45,568,280	$ 45,568,280
Interest bearing deposits	112,866,638	112,834,971	65,133,137	65,176,649
Securities sold under repurchase agreement	1,459,621	1,459,621	-	-
Total liabilities	$ 175,959,919	$ 175,928,252	$ 110,701,417	$ 110,744,929

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
2015				
Available-for-sale financial assets	$ 82,514,636	$ 860,121	$ 516,417	$ 83,891,174

	Level 1	Level 2	Level 3	Total
2014				
Available-for-sale financial assets	$ 80,794,522	$1,335,153	$ 511,251	$ 82,640,926

There were no transfers between level 1 and level 2 during the year.

Reconciliation for Level 3 Fair Value Measurements:

	2015 Available-for-sale	2014 Available-for-sale
Opening balance	$ 511,251	$ 515,689
Reclassification to other assets		(1,689)
Change in fair value	5,166	(2,749)
Closing balance	$ 516,417	$ 511,251

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