

**1<sup>st</sup> NATIONAL BANK ST. LUCIA LIMITED**

Summary Financial Statements

December 31, 2019

*(Expressed in Eastern Caribbean dollars)*



204 Johnsons Centre  
No. 2 Bella Rosa Road  
P.O. Box GI 2171  
Gros-Islet LC01 101  
Saint Lucia

Telephone: (758) 453-5764  
Email: [ecinfo@kpmg.lc](mailto:ecinfo@kpmg.lc)

## **INDEPENDENT AUDITORS' REPORT**

**To the Shareholders of 1<sup>st</sup> National Bank St. Lucia Limited**

**Report on the Audit of the Summary Financial Statements**

### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2019, the summary statements of income, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of 1<sup>st</sup> National Bank St. Lucia Limited (“the Bank”) for the year ended December 31, 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.



**INDEPENDENT AUDITORS' REPORT, CONTINUED**

**To the Shareholders of 1<sup>st</sup> National Bank St. Lucia Limited**

***The Audited Financial Statements and Our Report Thereon***

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 29, 2020.

***Management's Responsibility for the Summary Financial Statements***

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

***Auditors' Responsibility***

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "*Engagements to Report on Summary Financial Statements.*"

A handwritten signature in black ink that reads 'KPMG' in a cursive, stylized font.

Chartered Accountants  
Saint Lucia

May 29, 2020

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**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

## Summary Statement of Financial Position

December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

	<u>2019</u>	<u>2018</u>
<b>Assets</b>	\$	\$
Cash and balances with Central Bank	64,840,476	57,859,437
Due from other banks	33,841,222	28,003,720
Treasury bills	31,311,935	36,422,936
Loans and advances to customers	553,069,683	502,107,145
Investment securities	112,055,254	115,691,583
Defined benefit asset	2,721,000	2,743,000
Property and equipment	12,895,793	13,069,542
Right-of-use assets	7,301,319	-
Intangible assets	477,475	614,282
Other assets	<u>5,277,870</u>	<u>8,055,755</u>
<b>Total assets</b>	<u>823,792,027</u>	<u>764,567,400</u>
<b>Liabilities</b>		
Due to customers	695,999,847	645,176,129
Other liabilities	16,914,982	23,368,014
Lease liabilities	7,637,606	-
Current income tax payable	1,151,484	2,744,757
Provisions	144,028	39,131
Deferred income tax liability	<u>638,434</u>	<u>309,399</u>
<b>Total liabilities</b>	<u>722,486,381</u>	<u>671,637,430</u>
<b>Equity:</b>		
<b>Capital and reserves:</b>		
Share capital	20,000,000	20,000,000
Reserves	22,861,104	21,450,049
Retained earnings	<u>58,444,542</u>	<u>51,479,921</u>
<b>Total equity</b>	<u>101,305,646</u>	<u>92,929,970</u>
<b>Total liabilities and equity</b>	<u>823,792,027</u>	<u>764,567,400</u>

Approved by the Board of Directors:



President

Nigel A. Fulgence



Director

Geraldine Lendor-Gabriel

**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

## Summary Statement of Income

For the year ended December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

	<u>2019</u>	<u>2018</u>
	\$	\$
Interest and similar income	39,959,751	38,341,195
Interest expense and similar charges	<u>(12,669,620)</u>	<u>(10,997,073)</u>
<b>Net interest income</b>	27,290,131	27,344,122
<b>Other operating income</b>	<u>14,456,684</u>	<u>13,103,946</u>
<b>Net interest and other operating income</b>	41,746,815	40,448,068
Other expenses	(23,689,435)	(21,881,810)
Impairment losses on financial assets	<u>(4,371,811)</u>	<u>(4,723,925)</u>
<b>Profit before income tax</b>	13,685,569	13,842,333
Income tax expense	<u>(4,047,216)</u>	<u>(3,913,403)</u>
<b>Profit for the year</b>	<u>9,638,353</u>	<u>9,928,930</u>
<b>Earnings per share</b> <b>(expressed in EC\$ per share)</b>		
Basic and diluted	<u>1.49</u>	<u>1.56</u>

**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

## Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

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	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Profit for the year</b>	<u>9,638,353</u>	<u>9,928,930</u>
<b>Other comprehensive income:</b>		
<i>Items that will never be reclassified to profit or loss:</i>		
Re-measurement of defined benefit asset	(277,000)	(51,000)
Revaluation adjustment on land and buildings	-	(2,274,832)
Net fair value gains on equity investments at FVOCI	879,627	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net fair value gains/(losses) on debt investments at FVOCI	<u>239,042</u>	<u>(1,159,554)</u>
<b>Other comprehensive income (loss) for the year</b>	<u>841,669</u>	<u>(3,485,386)</u>
<b>Total comprehensive income for the year</b>	<u>10,480,022</u>	<u>6,443,544</u>

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**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

## Summary Statement of Changes in Equity

For the year ended December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve on FVOCI investments	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2018</b>	20,000,000	10,666,264	1,427,166	(214,191)	9,570,810	51,479,921	92,929,970
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	9,638,353	9,638,353
<b>Other comprehensive income</b>							
Fair value gain on FVOCI investment securities	-	-	-	1,118,669	-	-	1,118,669
Re-measurement of defined benefit asset	-	-	-	-	-	(277,000)	(277,000)
<b>Total other comprehensive income</b>	-	-	-	1,118,669	-	(277,000)	841,669
<b>Total comprehensive income</b>	-	-	-	1,118,669	-	9,361,353	10,480,022
Net transfer from retained earnings	-	1,927,670	52,497	-	3,000,000	(4,980,167)	-
Reserve for loan loss provision	-	-	-	-	(3,221,005)	3,221,005	-
Reserve for interest recognized on non-performing loans	-	-	-	-	(1,466,776)	1,466,776	-
Profit share 2018	-	-	-	-	-	(511,233)	(511,233)
<b>Transactions with owners</b>							
Dividends to shareholders	-	-	-	-	-	(1,593,113)	(1,593,113)
<b>Balance at December 31, 2019</b>	20,000,000	12,593,934	1,479,663	904,478	7,883,029	58,444,542	101,305,646

**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

Summary Statement of Changes in Equity (continued)

For the year ended December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve on FVOCI investments	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2017</b>	20,000,000	8,680,478	3,708,673	945,363	3,217,260	48,160,670	84,712,444
Impact of adopting IFRS 9 at January 1, 2018	-	-	-	-	-	3,402,984	3,402,984
<b>Restated balance at January 1, 2018</b>	20,000,000	8,680,478	3,708,673	945,363	3,217,260	51,563,654	88,115,428
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	9,928,930	9,928,930
<b>Other comprehensive income</b>							
Fair value loss on debt investment securities	-	-	-	(1,159,554)	-	-	(1,159,554)
Revaluation of land and buildings	-	-	(2,274,832)	-	-	-	(2,274,832)
Re-measurement of defined benefit asset	-	-	-	-	-	(51,000)	(51,000)
<b>Total other comprehensive income</b>	-	-	(2,274,832)	(1,159,554)	-	(51,000)	(3,485,386)
<b>Total comprehensive income</b>	-	-	(2,274,832)	(1,159,554)	-	9,877,930	6,443,544
Net transfer from retained earnings	-	1,985,786	(6,675)	-	-	(1,979,111)	-
Reserve for loan loss provision	-	-	-	-	5,007,668	(5,007,668)	-
Reserve for interest recognized on non-performing loans	-	-	-	-	1,345,882	(1,345,882)	-
Profit share 2017	-	-	-	-	-	(354,512)	(354,512)
<b>Transactions with owners</b>							
Dividends to shareholders	-	-	-	-	-	(1,274,490)	(1,274,490)
<b>Balance at December 31, 2018</b>	20,000,000	10,666,264	1,427,166	(214,191)	9,570,810	51,479,921	92,929,970



**1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

## Summary Statement of Cash Flows

For the year ended December 31, 2019

*(Expressed in Eastern Caribbean dollars)*

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Profit for the year	9,638,353	9,928,930
Adjustments for:		
Depreciation and amortization	1,450,533	1,171,632
Depreciation on right-of-use assets	907,000	-
Loss on disposal of property and equipment	27,807	79,985
Loss on disposal of investment	390,214	-
Impairment losses on financial assets	4,371,811	4,723,925
Defined benefit income	(56,000)	(52,000)
Dividend income	(193,893)	(162,243)
Tax expense	4,047,216	3,913,403
Interest and similar income	(39,959,751)	(38,341,195)
Interest expense and similar charges	<u>12,669,620</u>	<u>10,997,073</u>
<b>Cash flows before changes in operating assets and liabilities</b>	<u>(6,707,090)</u>	<u>(7,740,490)</u>
Change in mandatory reserve deposits with Central Bank	(400,695)	17,199,591
Change in loans and advances to customers	(56,764,409)	(116,418,587)
Change in other assets	2,777,885	(166,954)
Change in due to customers	50,680,820	64,479,432
Change in other liabilities	<u>(6,503,895)</u>	<u>17,995,023</u>
<b>Cash used in operations</b>	<u>(16,917,384)</u>	<u>(24,651,985)</u>
Interest and similar income received	41,915,120	35,369,503
Interest expense and similar charges paid	(12,526,723)	(11,257,121)
Profit sharing and bonuses paid	(511,233)	(354,512)
Defined benefit contributions paid	(199,000)	(196,000)
Income taxes paid	<u>(5,311,455)</u>	<u>(1,151,469)</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>6,449,325</u>	<u>(2,241,584)</u>
<b>Cash flows from investing activities</b>		
Purchase of treasury bills	(2,795,925)	(25,488,359)
Proceeds from sale of treasury bills	7,760,512	20,497,274
Purchase of investment securities	(16,776,818)	(30,986,890)
Proceeds from sale of investment securities	20,867,605	13,430,365
Dividends received	193,893	162,243
Proceeds from sale of property and equipment	4,207	1,350
Acquisition of property and equipment	(1,171,992)	(3,592,639)
Acquisition of intangible assets	-	(233,029)
<b>Net cash generated from/(used in) investing activities</b>	<u>8,081,482</u>	<u>(26,209,685)</u>
<b>Cash flows from financing activities</b>		
Principal portion of lease liabilities	(570,713)	-
Dividends paid	<u>(1,542,248)</u>	<u>(1,122,315)</u>
<b>Net cash used in financing activities</b>	<u>(2,112,961)</u>	<u>(1,122,315)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	12,417,846	(29,573,584)
Cash and cash equivalents at 1 January	<u>47,647,462</u>	<u>77,221,046</u>
<b>Cash and cash equivalents at 31 December</b>	<u>60,065,308</u>	<u>47,647,462</u>

# **1<sup>ST</sup> NATIONAL BANK ST. LUCIA LIMITED**

Notes to the Summary Financial Statements

For the year ended December 31, 2019

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*(Expressed in Eastern Caribbean dollars)*

## **1. Basis of preparation**

These summary financial statements are derived from the audited financial statements of 1<sup>st</sup> National Bank St. Lucia Limited for the year ended December 31, 2019 and have been prepared in accordance with criteria developed by management.

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