



Grant Thornton

1st NATIONAL BANK ST. LUCIA LIMITED

Summary Financial Statements

December 31, 2020

May 26, 2021

Grant Thornton
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1st 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, 2020, 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 1st National Bank St. Lucia Limited (“the Bank”) for the year ended December 31, 2020.

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. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 26, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Note 1.

Auditor's Responsibility for the Audit of the Summary Financial Statements

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.*”



Chartered Accountants

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Financial Position

December 31, 2020

(Expressed in Eastern Caribbean dollars)

	<u>2020</u>	<u>2019</u>
Assets	\$	\$
Cash and balances with Central Bank	87,184,560	64,840,476
Due from other banks	121,529,621	33,841,222
Treasury bills	17,637,820	31,311,935
Loans and advances to customers	585,078,981	553,069,683
Investment securities	82,407,091	112,055,254
Defined benefit asset	3,055,000	2,721,000
Property and equipment	12,280,237	12,895,793
Right-of-use assets	7,307,589	7,301,319
Intangible assets	453,419	477,475
Income tax recoverable	965,143	-
Other assets	10,358,870	5,277,870
Total assets	<u>928,258,331</u>	<u>823,792,027</u>
Liabilities		
Due to customers	787,724,620	695,999,847
Other liabilities	24,796,469	16,914,982
Lease liabilities	7,888,461	7,637,606
Current income tax payable	-	1,151,484
Provisions	159,640	144,028
Deferred income tax liability	702,953	638,434
Total liabilities	<u>821,272,143</u>	<u>722,486,381</u>
Equity:		
Capital and reserves:		
Share capital	20,000,000	20,000,000
Reserves	27,658,061	22,861,104
Retained earnings	59,328,127	58,444,542
Total equity	<u>106,986,188</u>	<u>101,305,646</u>
Total liabilities and equity	<u>928,258,331</u>	<u>823,792,027</u>

Approved by the Board of Directors:



Nigel A. Fulgence

President



Geraldine Lendor-Gabriel

Director

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Income

For the year ended December 31, 2020

	2020 \$	2019 \$
Interest and similar income	41,581,920	39,959,751
Interest expense and similar charges	<u>(14,155,217)</u>	<u>(12,669,620)</u>
Net interest income	27,426,703	27,290,131
Other operating income, Net	<u>10,862,271</u>	14,456,684
Net interest and other operating income	38,288,974	41,746,815
Other expenses	(23,766,838)	(23,689,435)
Impairment losses on financial assets	<u>(7,403,381)</u>	<u>(4,371,811)</u>
Profit before income tax	7,118,755	13,685,569
Income tax expense	<u>(2,677,663)</u>	<u>(4,047,216)</u>
Profit for the year	<u>4,441,092</u>	<u>9,638,353</u>
Earnings per share (expressed in EC\$ per share)		
Basic and diluted	<u>0.69</u>	1.49

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Profit or Loss and Other Comprehensive Income For the year ended December 31, 2020

	2020 \$	2019 \$
Profit for the year	4,441,092	9,638,353
Other comprehensive income		
<i>Items that will never be reclassified to profit or loss:</i>		
Re-measurement of defined benefit asset	70,000	(277,000)
Net fair value gains on equity investments at FVOCI	67,681	879,627
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net fair value gains on debt investments at FVOCI	1,101,769	239,042
Other comprehensive income for the year	1,239,450	841,669
Total comprehensive income for the year	5,680,542	10,480,022

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Changes in Equity

For the year ended December 31, 2020

	Share capital \$	Statutory reserve \$	Revaluation reserve \$	Revaluation reserve on FVOCI investments \$	Other reserves \$	Retained earnings \$	Total equity \$
Balance at December 31, 2019	20,000,000	12,593,934	1,479,663	904,478	7,883,029	58,444,542	101,305,646
Total comprehensive income							
Profit for the year	–	–	–	–	–	4,441,092	4,441,092
Other comprehensive income							
Fair value gain on FVOCI investment securities	–	–	–	1,169,450	–	–	1,169,450
Re-measurement of defined benefit asset	–	–	–	–	–	70,000	70,000
Total other comprehensive income	–	–	–	1,169,450	–	70,000	1,239,450
Total comprehensive income	–	–	–	1,169,450	–	4,511,092	5,680,542
Net transfer from retained earnings	–	888,219	50,520	–	–	(938,739)	–
Reserve for loan loss provision	–	–	–	–	2,136,818	(2,136,818)	–
Reserve for interest recognized on non-performing loans	–	–	–	–	551,950	(551,950)	–
Transactions with owners							
Dividends to shareholders	–	–	–	–	–	–	–
Balance at December 31, 2020	20,000,000	13,482,153	1,530,183	2,073,928	10,571,797	59,328,127	106,986,188

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Changes in Equitycontinued

For the year ended December 31, 2020

	Share capital \$	Statutory reserve \$	Revaluatio n reserve \$	Revaluation reserve on FVOCI investments \$	Other reserves \$	Retained earnings \$	Total equity \$
Balance at December 31, 2018	20,000,000	10,666,264	1,427,166	(214,191)	9,570,810	51,479,921	92,929,970
Total comprehensive income							
Profit for the year	–	–	–	–	–	9,638,353	9,638,353
Other comprehensive income							
Fair value gain on FVOCI investment securities	–	–	–	1,118,669	–	–	1,118,669
Re-measurement of defined benefit asset	–	–	–	–	–	(277,000)	(277,000)
Total other comprehensive income	–	–	–	1,118,669	–	(277,000)	841,669
Total comprehensive income	–	–	–	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)
Transactions with owners							
Dividends to shareholders	–	–	–	–	–	(1,593,113)	(1,593,113)
Balance at December 31, 2019	20,000,000	12,593,934	1,479,663	904,478	7,883,029	58,444,542	101,305,646

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Profit for the year	4,441,092	9,638,353
Adjustments for:		
Depreciation and amortization	1,302,788	1,450,533
Depreciation on right-of-use assets	902,374	907,000
Loss on disposal of property and equipment	48,047	27,807
Loss on disposal of investment	1,273,661	390,214
Impairment losses on financial assets	7,403,381	4,371,811
Defined benefit income	(43,000)	(56,000)
Dividend income	(164,305)	(193,893)
Tax expense	2,677,663	4,047,216
Interest and similar income	(41,581,920)	(39,959,751)
Interest expense and similar charges	14,155,217	12,669,620
Cash flows before changes in operating assets and liabilities	(9,585,002)	(6,707,090)
Change in mandatory reserve deposits with Central Bank	(5,715,315)	(400,695)
Change in loans and advances to customers	(33,426,235)	(56,764,409)
Change in other assets	(5,081,000)	2,777,885
Change in due to customers	91,675,881	50,680,820
Change in other liabilities	7,881,935	(6,503,895)
Cash generated from/(used in) operations	45,750,264	(16,917,384)
Interest and similar income received	35,822,104	41,915,120
Interest expense and similar charges paid	(14,106,325)	(12,526,723)
Profit sharing and bonuses paid	–	(511,233)
Defined benefit contributions paid	(221,000)	(199,000)
Income taxes paid	(4,729,770)	(5,311,455)
Net cash generated from operating activities	62,515,273	6,449,325
Cash flows from investing activities		
Purchase of treasury bills	(3,529,794)	(2,795,925)
Proceeds from sale of treasury bills	17,365,101	7,760,512
Purchase of investment securities	(8,689,640)	(16,776,818)
Proceeds from sale of investment securities	37,861,383	20,867,605
Dividends received	164,305	193,893
Proceeds from sale of property and equipment	16,000	4,207
Acquisition of property and equipment	(630,659)	(1,171,992)
Acquisition of intangible assets	(96,564)	–
Net cash generated from investing activities	42,460,132	8,081,482
Cash flows from financing activities		
Principal portion of lease liabilities	(657,789)	(570,713)
Dividends paid	(448)	(1,542,248)
Net cash used in financing activities	(658,237)	(2,112,961)
Net increase in cash and cash equivalents	104,317,168	12,417,846
Cash and cash equivalents at January 1,	60,065,308	47,647,462
Cash and cash equivalents at December, 31	164,382,476	60,065,308

1ST NATIONAL BANK ST. LUCIA LIMITED

Notes to the Summary Financial Statements

December 31, 2020

1. Basis of presentation

The summary financial statements are prepared in accordance with the criteria developed by management. Management's criteria, requires the disclosure of the summary statement of financial position, statement of income, profit or loss and comprehensive income, changes in equity and cash flows. These summary financial statements are derived from the audited financial statements of 1st National Bank St. Lucia Limited for the year ended December 31, 2020.