

1st NATIONAL BANK ST. LUCIA LIMITED

Summary Financial Statements

December 31, 2017

(Expressed in Eastern Caribbean dollars)



KPMG

204 Johnsons Centre
#2 Bella Rosa Rd
Gros Islet
St. Lucia

Telephone: (758) 453 2298
Email: ecinfo@kpmg.lc

Independent Auditors' 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, 2017, 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 note, are derived from the audited financial statements of 1st National Bank St. Lucia Limited (“the Bank”) for the year ended December 31, 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

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

To the Shareholders of 1st National Bank St. Lucia Limited, continued

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 23, 2018.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements.

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."

KPMG

Chartered Accountants
March 23, 2018
Saint Lucia


1ST NATIONAL BANK ST. LUCIA LIMITED

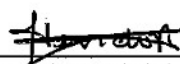
Summary Statement of Financial Position

December 31, 2017

(Expressed in Eastern Caribbean dollars)

	<u>2017</u>	<u>2016</u>
Assets	\$	\$
Cash and balances with Central Bank	78,896,834	74,443,251
Due from other banks	53,739,498	65,429,684
Treasury bills	31,733,399	33,350,505
Loans and advances to financial institutions	23,971,139	23,376,923
Loans and advances to customers	384,839,300	361,921,597
Investment securities:		
available-for-sale	30,245,691	10,207,001
held-to-maturity	43,935,610	33,703,060
Income tax recoverable	505,372	1,163,267
Defined benefit asset	2,546,000	1,934,000
Property and equipment	12,854,092	12,917,019
Intangible assets	531,863	682,468
Other assets	7,888,801	7,140,390
Total assets	<u>671,687,599</u>	<u>626,269,165</u>
Liabilities		
Due to customers	580,956,745	540,514,864
Other liabilities	5,220,816	7,821,375
Deferred income tax liability	797,594	643,466
Total liabilities	<u>586,975,155</u>	<u>548,979,705</u>
Equity:		
Capital and reserves:		
Share capital	20,000,000	7,971,454
Reserves	16,551,774	17,940,423
Retained earnings	48,160,670	51,377,583
Total equity	<u>84,712,444</u>	<u>77,289,460</u>
Total liabilities and equity	<u>671,687,599</u>	<u>626,269,165</u>



Nigel A. Fulgence
President

Geraldine Lendor-Gabriel
Director

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Income

For the year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Interest and similar income	32,960,130	29,340,315
Interest expense and similar charges	(10,995,231)	(10,557,017)
Net interest income	21,964,899	18,783,298
Other operating income	10,909,169	9,481,491
Net interest and other operating income	32,874,068	28,264,789
Other expenses	(20,311,024)	(17,241,095)
Impairment losses	(7,698,293)	(9,379,683)
Profit before income tax	4,864,751	1,644,011
Income tax expense	(1,319,629)	(187,264)
Profit for the year	3,545,122	1,456,747
Earnings per share (expressed in EC\$ per share)		
Basic and diluted	0.66	0.29

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Profit for the year	<u>3,545,122</u>	<u>1,456,747</u>
Other comprehensive income:		
<i>Items that will never be reclassified to profit or loss:</i>		
Re-measurement of defined benefit asset	412,000	48,000
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net fair value gains on available-for-sale financial assets	<u>290,938</u>	<u>279,101</u>
Other comprehensive income for the year	<u>702,938</u>	<u>327,101</u>
Total comprehensive income for the year	<u>4,248,060</u>	<u>1,783,848</u>

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Changes in Equity

For the year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve available- for-sale investments	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2016	7,971,454	7,971,454	3,722,256	375,324	-	55,965,120	76,005,608
Total comprehensive income							
Profit for the year	-	-	-	-	-	1,456,747	1,456,747
Other comprehensive income							
Fair value gain on available-for-sale financial assets	-	-	-	279,101	-	-	279,101
Re-measurement of defined benefit asset	-	-	-	-	-	48,000	48,000
Total other comprehensive income	-	-	-	279,101	-	48,000	327,101
Total comprehensive income	-	-	-	279,101	-	1,504,747	1,783,848
Transfer to retained earnings	-	-	(6,829)	-	-	6,829	-
Reserve for loan loss provision	-	-	-	-	1,216,353	(1,216,353)	-
Reserve for interest recognised on non-performing loans	-	-	-	-	4,382,764	(4,382,764)	-
Transactions with owners							
Dividends to shareholders	-	-	-	-	-	(499,996)	(499,996)
Balance at December 31, 2016	7,971,454	7,971,454	3,715,427	654,425	5,599,117	51,377,583	77,289,460

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Changes in Equity

For the year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve available- for-sale investments	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2017	7,971,454	7,971,454	3,715,427	654,425	5,599,117	51,377,583	77,289,460
Total comprehensive income							
Profit for the year	-	-	-	-	-	3,545,122	3,545,122
Other comprehensive income							
Fair value gain on available-for-sale financial assets	-	-	-	290,938	-	-	290,938
Re-measurement of defined benefit asset	-	-	-	-	-	412,000	412,000
Total other comprehensive income	-	-	-	290,938	-	412,000	702,938
Total comprehensive income	-	-	-	290,938	-	3,957,122	4,248,060
Transfer from retained earnings	-	709,024	(6,754)	-	-	(702,270)	-
Reserve for loan loss provision					(1,216,353)	1,216,353	-
Reserve for interest recognised on non-performing loans	-	-	-	-	(1,165,504)	1,165,504	-
Transactions with owners							
Dividends to shareholders	-	-	-	-	-	(549,996)	(549,996)
Issue of share capital	12,028,546	-	-	-	-	(8,303,626)	3,724,920
Balance at December 31, 2017	20,000,000	8,680,478	3,708,673	945,363	3,217,260	48,160,670	84,712,444

1ST NATIONAL BANK ST. LUCIA LIMITED

Summary Statement of Cash Flows

For the year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash flows from operating activities		
Profit for the year	3,545,122	1,456,747
Adjustments for:		
Depreciation and amortization	1,042,941	1,365,183
Loss on disposal of property and equipment	42,192	327,989
Loss/(Gain) on disposal of investment	22,254	(9,972)
Impairment losses	7,698,293	9,379,683
Defined benefit income	(20,000)	(15,000)
Dividend income	(226,582)	(120,772)
Tax expense	1,319,629	187,264
Interest and similar income	(32,960,130)	(29,340,315)
Interest expense and similar charges	10,995,231	10,557,017
Cash flows before changes in operating assets and liabilities	(8,541,050)	(6,212,176)
Change in mandatory reserve deposits with Central Bank	(15,307,636)	(11,471,870)
Change in loans and advances to financial institutions	(618,252)	(6,472,285)
Change in loans and advances to customers	(30,984,596)	(166,481)
Change in other assets	(748,411)	158,671
Change in due to customers	40,750,404	34,128,890
Change in other liabilities	(2,632,115)	2,580,269
Cash (used in)/from operations	(18,081,656)	12,545,018
Interest and similar income received	32,952,003	32,004,105
Interest expense and similar charges paid	(11,303,754)	(10,559,349)
Defined benefit contributions paid	(180,000)	(198,000)
Income taxes paid	(507,606)	-
Net cash generated from operating activities	2,878,987	33,791,774
Cash flows from investing activities		
Purchase of treasury bills	(10,517,998)	(10,412,007)
Proceeds from sale of treasury bills	12,529,387	7,297,232
Purchase of investment securities	(34,028,377)	(15,495,521)
Proceeds from sale of investment securities	4,032,300	7,297,034
Dividends received	226,582	120,772
Proceeds from sale of property and equipment	4,623	118,834
Acquisition of property and equipment	(776,745)	(406,271)
Acquisition of intangible assets	(99,478)	-
Net cash used in investing activities	(28,629,706)	(11,479,927)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	3,724,920	-
Dividends paid	(518,440)	(476,182)
Net cash from/(used in) financing activities	3,206,480	(476,182)
Net (decrease)/increase in cash and cash equivalents	(22,544,239)	21,835,665
Cash and cash equivalents at 1 January	99,765,285	77,929,620
Cash and cash equivalents at 31 December	77,221,046	99,765,285

