1st NATIONAL BANK ST. LUCIA LIMITED

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2023

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PKF
Accountants &
business advisers

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, 2023, the summary statement of 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, 2023.

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 of the audited financial statements in our report dated January 10th, 2025.

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 statement 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), "Engagement to Report on Summary Financial Statements."

GRENADA

January 14th, 2025

PKF

Accountants & Business Advisers

1st National Bank St. Lucia Limited
Statement of Financial Position
As at December 31, 2023
(Expressed in Eastern Caribbean dollars)

	2023 $	2022 $
Assets		
Cash and balances with Central Bank	307,071,075	315,576,840
Due from other banks	72,153,769	133,214,671
Treasury bills	54,711,593	28,247,950
Loans and advances to customers	927,783,273	906,948,364
Investment securities	195,405,997	136,135,203
Defined benefit asset	3,134,000	3,277,000
Property and equipment	16,199,489	15,012,002
Right-of-use assets	13,534,193	14,276,239
Intangible assets	18,222,227	20,269,195
Income tax recoverable	1,948,277	471,537
Other assets	30,368,209	28,653,754
Total assets	1,640,532,102	1,602,082,755
Liabilities		
Due to customers	1,428,323,175	1,406,410,803
Due to banks	24,066,199	26,636,244
Other liabilities	42,215,276	28,501,273
Lease liabilities	15,624,028	16,150,282
Provisions	3,004,790	2,623,615
Deferred income tax liability	645,630	465,100
Total liabilities	1,513,879,098	1,480,787,317
Equity:		
Capital and reserves:		
Share capital	20,000,000	20,000,000
Reserves	50,849,997	55,079,008
Retained earnings	55,803,007	46,216,430
Total equity	126,653,004	121,295,438
Total liabilities and equity	1,640,532,102	1,602,082,755

Approved on behalf of the Board: -

Nigel A. Fulgence — President

Geraldine Lendor-Gabriel — Director

1st National Bank St. Lucia Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2023
(Expressed in Eastern Caribbean dollars)

	2023 $	2022 $
Interest and similar income	61,950,224	52,367,961
Interest expense and similar charges	(24,105,869)	(21,866,709)
Net interest income	37,844,355	30,501,252
Other operating income, net	29,715,909	24,527,464
Net interest and other operating income	67,560,264	55,028,716
Other expenses	(51,769,241)	(51,253,202)
Bargain purchase	-	8,894,978
Impairment (losses)/recovery on financial assets	(7,063,418)	4,619,361
Profit before income tax	8,727,605	17,289,853
Income tax expense	(4,658,074)	(961,233)
Profit for the year	4,069,531	16,328,620
Other comprehensive income:		
Items that will never be reclassified to profit or loss:		
Re-measurement of defined benefit asset	(404,000)	371,000
Deferred tax on re-measurement of defined benefit asset	(61,569)	111,300
Net fair value gains/(losses) on equity investments at FVOCI	454,871	(1,036,593)
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value gains/(losses) on debt investments at FVOCI	1,298,733	(4,907,978)
Other comprehensive income/(loss) for the year	1,288,035	(5,462,271)
Total comprehensive income for the year	5,357,566	10,866,349
Earnings per share (expressed in EC$ per share)		
Basic and diluted	0.58	2.43

1st National Bank St. Lucia Limited
Statement of Changes in Equity
For the year ended December 31, 2023
(Expressed in Eastern Caribbean dollars)

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve on FVOCI investments	Other reserves	Retained earnings	Total equity
	$	$	$	$	$	$	$
Balance at December 31, 2022	20,000,000	17,544,381	1,631,503	(2,883,220)	38,786,344	46,216,430	121,295,438
Total comprehensive income							
Profit for the year	-	-	-	-	-	4,069,531	4,069,531
Other comprehensive income							
Fair value loss on FVOCI investment securities	-	-	-	1,753,604	-	-	1,753,604
Re-measurement of defined benefit asset	-	-	-		-	(404,000)	(404,000)
Deferred tax on re-measurement of defined benefit asset	-	-	-	-	-	(61,569)	(61,569)
Total other comprehensive income	-	-	-	1,753,604	-	(465,569)	1,288,035
Total comprehensive income	-	-	-	1,753,604	-	3,603,962	5,357,566
Net transfer from retained earnings	-	2,280,403	44,494	-	-	(2,324,897)	-
Reserve for loan loss provision	-	-	-	-	(9,717,524)	9,717,524	-
Reserve for interest recognized on non-performing loans	-	-	-	-	1,410,012	(1,410,012)	-
Balance at December 31, 2023	20,000,000	19,824,784	1,675,997	(1,129,616)	30,478,832	55,803,007	126,653,004

1st National Bank St. Lucia Limited
Statement of Changes in Equity
For the year ended December 31, 2023
(Expressed in Eastern Caribbean dollars)

	Share capital	Statutory reserve	Revaluation reserve	Revaluation reserve on FVOCI investments	Other reserves	Retained earnings	Total equity
	$	$	$	$	$	$	$
Balance at December 31, 2021	20,000,000	14,278,657	1,580,843	3,061,351	15,174,335	56,333,903	110,429,089
Total comprehensive income							
Profit for the year	-	-	-	-	-	16,328,620	16,328,620
Other comprehensive income							
Fair value loss on FVOCI investment securities	-	-	-	(5,944,571)	-	-	(5,944,571)
Re-measurement of defined benefit asset	-	-	-	-	-	371,000	371,000
Deferred tax on re-measurement of defined benefit asset	-	-	-	-	-	111,300	111,300
Total other comprehensive income	-	-	-	(5,944,571)	-	482,300	(5,462,271)
Total comprehensive income	-	-	-	(5,944,571)	-	16,810,920	10,866,349
Net transfer from retained earnings	-	3,265,724	50,660	-		(3,316,384)	-
Reserve for loan loss provision	-	-	-	-	22,408,626	(22,408,626)	-
Reserve for interest recognized on non-performing loans	-	-	-	-	1,203,383	(1,203,383)	-
Balance at December 31, 2022	20,000,000	17,544,381	1,631,503	(2,883,220)	38,786,344	46,216,430	121,295,438

1st National Bank St. Lucia Limited
Statement of Cash Flows
As of December 31, 2023
(Expressed in Eastern Caribbean dollars)

	2023 $	2022 $
Cash flows from operating activities		
Profit for the year	4,069,531	16,328,620
Adjustments for:		
Depreciation and amortization	3,766,446	2,212,246
Depreciation on right-of-use assets	2,284,586	2,280,488
Loss on disposal of property and equipment	119	2,801
Impairment loss/(recovery) on financial assets	7,063,418	(672,194)
Defined benefit income	(69,000)	(12,000)
Dividend income	(471,940)	(320,493)
Tax expense	4,658,074	961,233
Tax penalties	-	106,168
Interest and similar income	(61,950,224)	(52,367,962)
Gain on acquisition	-	(8,894,978)
Interest expense and similar charges	24,105,869	21,866,710
Cash flows before changes in operating assets and liabilities	(16,543,121)	(18,509,361)
Change in mandatory reserve deposits with Central Bank	135,122,084	(136,485,426)
Change in loans and advances to customers	(29,649,555)	(125,762)
Change in other assets	3,489,025	63,932,488
Change in due to customers	22,161,890	(75,309,506)
Change in other liabilities	8,954,811	(32,962,686)
Cash used in operations	123,535,134	(199,460,253)
Interest and similar income received	63,605,909	56,104,418
Interest expense and similar charges paid	(24,356,194)	(22,314,383)
Defined benefit contributions paid	(192,000)	(227,000)
Income taxes paid	(6,015,853)	(2,613,140)
Net cash generated from /(used) operating activities	156,576,996	(168,510,358)
Cash flows from investing activities		
Purchase of treasury bills	(90,481,507)	(49,420,947)
Proceeds from sale of treasury bills	63,956,911	36,900,256
Purchase of investment securities	(102,509,736)	(60,415,675)
Proceeds from sale of investment securities	45,021,502	39,699,209
Dividends received	471,940	320,493
Proceeds from sale of property and equipment	-	161
Acquisition of property and equipment	(2,762,401)	(2,822,468)
Acquisition of intangible assets	(144,645)	(724,460)
Acquisition of RBTT/RBC	-	129,783,988
Net cash (used)/generated from investing activities	(86,447,936)	93,320,557
Cash flows from financing activities		
Principal portion of lease liabilities	(2,068,884)	(1,907,534)
Repayment on bank borrowings	(2,569,148)	(2,462,396)
Dividends paid on ordinary shares	64,389	(1,087)
Net cash used in financing activities	(4,573,643)	(4,371,017)
Net decrease in cash and cash equivalents	65,555,417	(79,560,818)
Cash and cash equivalents at 1 January	240,261,086	319,821,904
Cash and cash equivalents at 31 December	305,816,503	240,261,086

1st National Bank St. Lucia Limited
Note to the Summary Financial Statements
for the year ended December 31, 2023
(Expressed in Eastern Caribbean dollars)

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 of financial position, statement of income, profit or loss and other comprehensive income, changes in equity and cash flows. These summary of financial statements are derived from the audited financial statements of 1st National Bank St. Lucia Limited for the year ended December 31, 2023, which are prepared in accordance with International Financial Reporting Standards.