



MERCHANT BANK (BARBADOS) LIMITED

ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2021



Chairman's Statement

Looking back on the last year, ANSA Merchant Bank (Barbados) Limited was not spared the continued disruptive effect of the COVID-19 pandemic, which still continue to affect the economy of Barbados, with its main industry, tourism, being negatively impacted by a shutdown of the country during February 2021, with a curfew remaining in effect up to the end of the year. In April 2021, the eruption of the La Soufriere volcano in St Vincent also caused challenges due to volcanic ash, and in July Hurricane Elsa contributed notable damage. It is clear that our resilient team, financial discipline, and continued investment in technology are what enabled us to persevere and succeed in our steadfast dedication to serve our clients and communities in Barbados.

I am extremely proud of what our company and its employees have been able to achieve, despite these challenges of 2021. We successfully re-named and re-branded the company from Consolidated Finance Co. Limited ("CFC") to ANSA Merchant Bank (Barbados) Limited ("AMBBL") in December 2021 which was widely applauded by our clients and the business community. We welcomed a new Managing Director, Mr. Victor Boyce a Barbadian who we brought back to Barbados to augment our leadership team. We successfully deployed a major technology and operational project to centralize the back-office functions into the ANSA Merchant Bank Trinidad office, in order to improve efficiency across the organization and enhance profitability of the company.

In 2021 AMBBL generated record revenue, as well as set numerous other financial performance records in each of our lines of business. We achieved a robust Operating Income (comprising net interest income, net lease rental income, fees and foreign exchange income) of \$14 million in 2021 compared to \$13 million in 2020, an 8% increase. As a result of this and expense management, the company was able to achieve Income before taxation of \$5.7 million compared to \$1 million in the previous period.

We remained one of the best capitalized companies in our industry, as our capital base closed strongly at \$59 million with a capital adequacy ratio of 34%, which is well above the minimum regulatory requirement of 8%, and reflects the strength of our business. Our Parent Company, ANSA Merchant Bank Limited ("AMBL") has Total Assets of over USD 627 Million and a capital base of over USD 232 Million as at December 31, 2021, and remains a significant player in the region. The Bank has increased its focus on its ESG principles of sustainability of business practices and is committed to financing sustainable renewable energy and electric vehicles to complement our commitment to Bio Diversity.

We sincerely thank all our customers for their continued loyal support. I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the valuable contributions of our committed Management and Staff.

Gregory N. Hill
Chairman of the Board of Directors
29 April, 2022



INDEPENDENT AUDITOR'S REPORT
Report on the audit of the Summary Financial Statements

To the Shareholder of ANSA Merchant Bank (Barbados) Limited

Opinion
The summary financial statements, which comprise the summary statement of financial position as at 31 December 2021, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of ANSA Merchant Bank (Barbados) Limited ("the Company") for the year ended 31 December 2021.

In our opinion, the summarised 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 ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

Statement of Financial Position
As at December 31, 2021
(Expressed in Barbados Dollars)

	2021 \$	2020 \$
Assets		
Cash and short-term deposits	46,912,925	40,873,565
Loans and other receivables	120,294,376	123,302,937
Investments securities	7,369,676	9,307,772
Property and equipment	6,175,911	6,556,852
Leased assets	28,357,383	29,399,615
Other assets	4,827,802	4,571,872
Total assets	213,938,073	214,012,613
Liabilities		
Accounts payable and accrued liabilities	29,085,148	16,891,512
Customers' deposits and accrued interest	122,570,170	138,114,701
Other liabilities	3,388,517	5,357,573
Total liabilities	155,043,835	160,363,786
Shareholder's equity		
Stated capital	10,000,000	10,000,000
Capital reserve	12,512,132	12,710,652
Retained earnings	36,382,106	30,938,175
Total shareholder's equity	58,894,238	53,648,827
Total liabilities and shareholder's equity	213,938,073	214,012,613

The accompanying notes form an integral part of these financial statements.
Approved by the Board of Directors on 29 April 2022 and signed on its behalf by:

.....Director
G.N. Hill

.....Director
J.W. Gellineau

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 April 2022. 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.

Responsibilities of Management for the Summary Consolidated Financial Statements
Management is responsible for the preparation of the summary financial statements in accordance with IFRSs.

Auditor's Responsibilities for the Audit of the Summary Consolidated 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.

Barbados
29 April 2022



MERCHANT BANK (BARBADOS) LIMITED

ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2021

Statement of Comprehensive Income

Year ended December 31, 2021

(Expressed in Barbados Dollars)

	2021 \$	2020 \$
Income		
Total Interest income	9,547,938	9,645,543
Finance costs	<u>(2,248,775)</u>	<u>(2,744,122)</u>
Net interest income	7,299,163	6,901,421
Net lease rental income	3,529,413	3,978,622
Other income	3,093,154	2,053,209
Net interest and other income	13,921,730	12,933,252
General and administrative expenses	<u>(7,207,531)</u>	<u>(9,614,007)</u>
Income before impairment losses on loans and taxation	6,714,199	3,319,245
Impairment losses on loans	<u>(1,056,806)</u>	<u>(2,412,973)</u>
Income before taxation	5,657,393	906,272
Taxation charge	<u>(324,097)</u>	<u>(83,035)</u>
Net income for the year	<u>5,333,296</u>	<u>823,237</u>
Other comprehensive income		
Remeasurement loss on retirement benefit plans	<u>(87,885)</u>	<u>(309,015)</u>
Other comprehensive loss for the year, net tax	<u>(87,885)</u>	<u>(309,015)</u>
Total comprehensive income for the year, net of tax	<u>5,245,411</u>	<u>514,222</u>

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year ended December 31, 2021

(Expressed in Barbados Dollars)

	2021 \$	2020 \$
Net cash from operating activities	13,114,041	12,916,807
Net cash (used in) from investing activities	<u>(2,657,089)</u>	<u>200,241</u>
Net cash flows used in financing activities	<u>(184,800)</u>	<u>(198,800)</u>
Net increase in cash and cash equivalents	10,272,152	12,918,248
Cash and cash equivalents – beginning of year	30,624,072	17,705,824
Cash and cash equivalents – end of year	<u>40,896,224</u>	<u>30,624,072</u>

The accompanying notes form an integral part of these financial statements.

Summarized Statement of Changes in Equity

Year ended December 31, 2021

(Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance as at December 31, 2019	10,000,000	13,019,667	30,114,938	53,134,605
Total comprehensive income for the year	-	<u>(309,015)</u>	823,237	<u>514,222</u>
Balance at December 31, 2020	10,000,000	12,710,652	30,938,175	53,648,827
Total comprehensive income for the year	-	<u>(87,885)</u>	5,333,296	<u>5,245,411</u>
Transfer to retained earnings from reserves	-	<u>(110,635)</u>	110,635	-
Balance at December 31, 2021	<u>10,000,000</u>	<u>12,512,132</u>	<u>36,382,106</u>	<u>58,894,238</u>

Note 1

The summarized financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summarized statement of financial position, summarized statement of income, summarized statement of comprehensive income, summarized statement of changes in equity and summarized statement of cash flows. These summarized financial statements are derived from the audited financial statements of ANSA Merchant Bank (Barbados) Limited for the year ended 31 December 2021 which are prepared in accordance with International Financial Reporting Standards.

Board of Directors

Mr. Gregory. N. Hill, BSc. FCCA, MBA - Chairman | Mr. S. R. Edghill | Mr. J. W. Gellineau, FCA | Mrs. M. J. Mahabir, QC | Mr. V. W. Boyce BSc. MSc

Corporate Secretary - Ms. D. Selman, BSc, MBA, CIA