



MERCHANT BANK (BARBADOS) LIMITED

ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2022

Chairman's Statement

Looking back on the last year and from my time as Chairman of the former Consolidated Finance Company (CFC), re-branded Ansa Merchant Bank (Barbados) Ltd in December 2021, it is clear that our financial discipline, consistent investment in innovation and ongoing development of our people are what has enabled us to persevere in adding value to clients and communities. As a result, 2022 was another strong year for ANSA Merchant Bank (Barbados) Limited ("AMBL"), with the company generating record profits, as well as setting numerous other records in each of our lines of business. The strength of our statement of financial position, risk management, drive for organic growth, and expense management became catalysts that drove our financial performance.

Nevertheless, the company continues to face challenges at every turn: the sluggish post Covid-19 domestic economy, persistent inflation which has led to rising interest rates globally, the war in Ukraine and global supply chain issues. In the face of this challenging landscape, I remain proud of what our company and our employees have achieved, collectively and individually.

We again achieved a robust operating income of \$15.37 million in 2022 compared to \$13.92 million in 2021, a 10% increase. As a result of this and prudent expense management, the company was able to achieve income before taxation of \$5.71 million compared to \$5.66 million in the previous period.

2022 can also be considered a year of accomplishment in that we successfully launched our Natural Capital Hub ESG strategy and have seen traction with loans in the PV solar panel space. We have also launched our mortgage packages, which are among the most comprehensive in the market.

We remained one of the best capitalized companies in our industry, as our capital base closed strongly at \$63.4 million with a capital adequacy ratio of 32%, 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 1.4 Billion and a capital base of over USD 403 Million as at December 31, 2022, and remains a significant player in the region. AMBL has achieved a CariCRIS investment grade rating of CariAA with a Stable Outlook, as well as continued to increase its focus on ESG principles of sustainability of business practices, while being committed to financing sustainable renewable energy and electric vehicles to complement our commitment to Biodiversity.

I wish to thank all of our stakeholders for their continuing support and especially our employees for their exceptional resilience and commitment to the success of our business over the past year. I also express my thanks and appreciation to my fellow Directors on the Board and Executive Management for their exceptional leadership.

Gregory N. Hill
Chairman of the Board of Directors
March 16, 2023



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 December 31, 2022, 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 summary notes, are derived from the audited financial statements of ANSA Merchant Bank (Barbados) Limited ("the Company") for the year ended December 31, 2022.

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 ("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.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 16, 2023. 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 Financial Statements

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

Auditor's Responsibilities 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.

Barbados
March 16, 2023

Summarized Statement of Financial Position

As at December 31, 2022
(Expressed in Barbados Dollars)

	2022 \$	2021 \$
Assets		
Cash and balances with Central Bank	88,978,674	46,912,925
Loans and other receivables	131,021,275	120,294,376
Investments securities	5,786,380	7,369,676
Property and equipment	5,667,219	6,175,911
Leased assets	27,797,210	28,357,383
Other assets	4,626,491	4,827,802
Total assets	263,877,249	213,938,073
Liabilities		
Accounts payable and accrued liabilities	55,837,778	29,085,148
Customers' deposits and accrued interest	140,204,624	122,570,170
Other liabilities	4,405,245	3,388,517
Total liabilities	200,447,647	155,043,835
Shareholder's equity		
Stated capital	10,000,000	10,000,000
Reserve	11,723,023	12,512,132
Retained earnings	41,706,579	36,382,106
Total shareholder's equity	63,429,602	58,894,238
Total liabilities and shareholder's equity	263,877,249	213,938,074

Approved by the Board of Directors on March 16, 2023 and signed on its behalf by:

.....Chairman
G.N. Hill

.....Director
V.W. Boyce



MERCHANT BANK (BARBADOS) LIMITED

ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2022

Summarized Statement of Comprehensive Income

Year ended December 31, 2022
(Expressed in Barbados Dollars)

	2022 \$	2021 \$
Income		
Total interest income	9,225,382	9,547,938
Finance costs	(1,969,899)	(2,248,775)
Net interest income	7,255,483	7,299,163
Net lease rental income	3,963,040	3,529,413
Other income	4,151,125	3,093,154
Net interest and other income	15,369,648	13,921,730
General and administrative expenses	(8,665,103)	(7,207,531)
Income before impairment losses on loans and taxation	6,704,545	6,714,199
Provision for expected credit losses	(999,515)	(1,056,806)
Income before taxation	5,705,030	5,657,393
Taxation charge	(742,526)	(324,097)
Net income for the year	4,962,504	5,333,296
Other comprehensive loss		
Net of remeasurement loss on retirement benefit plans and income tax effect	(427,140)	(87,885)
Other comprehensive loss for the year, net of tax	(427,140)	(87,885)
Total comprehensive income for the year, net of tax	4,535,364	5,245,411

Summarized Statement of Cash Flows

Year ended December 31, 2022
(Expressed in Barbados Dollars)

	2022 \$	2021 \$
Net cash from operating activities	22,303,433	13,114,041
Net cash used in investing activities	(2,376,602)	(2,657,089)
Net cash flows used in financing activities	(184,800)	(184,800)
Net increase in cash and cash equivalents	19,742,032	10,272,152
Cash and cash equivalents – beginning of year	40,896,224	30,624,072
Cash and cash equivalents – end of year	60,638,255	40,896,224

Summarized Statement of Changes in Equity

Year ended December 31, 2022
(Expressed in Barbados Dollars)

	Stated capital	Reserves	Retained earnings	Total
	\$	\$	\$	\$
Balance as at December 31, 2020	10,000,000	12,710,652	30,938,175	53,648,827
Total comprehensive (loss) income for the year	-	(87,885)	5,333,296	5,245,411
Transfer to retained earnings from reserves	-	(110,635)	110,635	-
Balance at December 31, 2021	10,000,000	12,512,132	36,382,106	58,894,238
Total comprehensive (loss) income for the year	-	(427,140)	4,962,504	4,535,364
Transfer to retained earnings from reserves	-	(361,969)	361,969	-
Balance at December 31, 2022	10,000,000	11,723,023	41,706,579	63,429,602

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 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 December 31, 2022 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