



MERCHANT BANK (BARBADOS) LIMITED

## ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2023

### Chairman's Statement

In 2023, ANSA Merchant Bank (Barbados) Limited continued to face challenges of a fiercely competitive environment compounded by rising deposit costs and falling lending rates. Nevertheless, through the sheer determination of our employees, collectively and individually, and with the support of a strong balance sheet, sound risk management principles, and a persistent drive for growth, we have produced another year of respectable performance.

Operating Income of \$14.4 million was generated, this being 6% off the \$15.4 million produced in 2022. Income before Taxation amounted to \$3.67 million but fell short of the \$5.71 million earned in the prior year.

Our capital base remains one of the strongest in our industry and leaves us well poised for continued growth. Total equity closed at \$67 million in 2023, with a capital adequacy ratio of 35% being well above the minimum regulatory requirement of 8%. We are also strongly backed by our parent company, ANSA Merchant Bank Limited, which reported Total Assets of over USD662 million and a capital base of over USD231 million as at December 31, 2023. It has maintained its CariCRIS investment grade rating of CariAA with a Stable Outlook, and has been assigned 'High' creditworthiness ratings for two consecutive years.

We celebrated our 40th anniversary in 2023. To mark this very significant milestone, we launched several new initiatives. These included the planting of 40 fruit trees along the Carmichael stretch of the Barbados Trailway Project, which is managed by the Future Centre Trust. We also hosted the largest vehicle loan fair in our history, which included all of the new and major used vehicle dealerships on island, and we celebrated with 40 of our customers who also turned 40 years old during the course of the year.

In 2022, we successfully launched our 'Natural Capital Hub' as part of our Environmental, Social and Governance framework. Through this initiative, which takes stock of our impact on biodiversity and the earth, air and water, we will continue to direct our energies and focus on ensuring that there is environmental and social sustainability in all of our business practices.

On behalf of the Board of Directors, I wish to thank all of our stakeholders for their continuing support, and I particularly wish to thank our employees for their resilience and commitment to the continuing success of our business. Finally, I gratefully acknowledge my fellow Directors and members of the senior management team for their exceptional leadership of the organization.

Mr. Ian R. De Souza  
Chairman of the Board of Directors  
March 27, 2024



### 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, 2023, 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 December 31, 2023.

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.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 27, 2024. 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 27, 2024

### Summarized Statement of Financial Position

As at December 31, 2023  
(Expressed in Barbados Dollars)

	2023 \$	2022 \$
<strong>Assets</strong>		
Cash and balances with Central Bank	57,605,929	88,978,674
Loans and other receivables	140,894,984	131,021,275
Investments securities	4,241,896	5,786,380
Property and equipment	5,299,007	5,667,219
Leased assets	27,613,293	27,797,210
Other assets	9,212,235	4,626,491
<strong>Total assets</strong>	<strong>244,867,344</strong>	<strong>263,877,249</strong>
<strong>Liabilities</strong>		
Accounts payable and accrued liabilities	46,649,041	55,837,778
Customers' deposits and accrued interest	127,115,142	140,204,624
Other liabilities	4,048,219	4,405,245
<strong>Total liabilities</strong>	<strong>177,812,402</strong>	<strong>200,447,647</strong>
<strong>Shareholder's equity</strong>		
Stated capital	10,000,000	10,000,000
Reserve	12,186,427	11,723,023
Retained earnings	44,868,515	41,706,579
<strong>Total shareholder's equity</strong>	<strong>67,054,942</strong>	<strong>63,429,602</strong>
<strong>Total liabilities and shareholder's equity</strong>	<strong>244,867,344</strong>	<strong>263,877,249</strong>

Approved by the Board of Directors on March 27, 2024 and signed on its behalf by:

.....Chairman  
Mr. I. R. De Souza

.....Director  
Mr. J.W. Gellineau



MERCHANT BANK (BARBADOS) LIMITED

## ANSA Merchant Bank (Barbados) Limited

Report and summarized Financial Statements for the year ended December 31, 2023

### Summarized Statement of Comprehensive Income

Year ended December 31, 2023  
(Expressed in Barbados Dollars)

	2023 \$	2022 \$
<b>Income</b>		
Total interest income	8,798,666	9,225,382
Finance costs	(1,904,330)	(1,969,899)
Net interest income	6,894,336	7,255,483
Net lease rental income	3,773,270	3,963,040
Other income	3,732,333	4,151,125
<b>Net interest and other income</b>	14,399,939	15,369,648
General and administrative expenses	(9,592,733)	(8,665,103)
<b>Income before impairment losses on loans and taxation</b>	4,807,206	6,704,545
Provision for expected credit losses	(1,134,621)	(999,515)
<b>Income before taxation</b>	3,672,585	5,705,030
Taxation charge	(537,603)	(742,526)
<b>Net income for the year</b>	3,134,982	4,962,504
<b>Other comprehensive income (loss)</b>		
Remeasurement income (loss) on retirement benefit plans, net of tax	263,060	(427,140)
<b>Other comprehensive income (loss) for the year, net of tax</b>	263,060	(427,140)
<b>Total comprehensive income for the year, net of tax</b>	3,398,042	4,535,364

### Summarized Statement of Cash Flows

Year ended December 31, 2023  
(Expressed in Barbados Dollars)

	2023 \$	2022 \$
Net cash (used in) from operating activities	(6,485,976)	22,303,433
Net cash used in investing activities	(3,429,328)	(2,376,602)
Net cash used in financing activities	(184,800)	(184,800)
Net (decrease) increase in cash and cash equivalents	(10,100,104)	19,742,031
Cash and cash equivalents – beginning of year	60,638,255	40,896,224
Cash and cash equivalents – end of year	50,538,151	60,638,255

### Summarized Statement of Changes in Equity

Year ended December 31, 2023  
(Expressed in Barbados Dollars)

	Stated capital	Reserves	Retained earnings	Total
	\$	\$	\$	\$
<b>Balance as at December 31, 2021</b>	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	-
<b>Balance at December 31, 2022</b>	10,000,000	11,723,023	41,706,579	63,429,602
Total comprehensive income for the year	-	263,060	3,134,982	3,398,042
Revaluation of freehold land	-	315,003	-	315,003
Correction to prior year retained earnings	-	-	(87,705)	(87,705)
Transfer to retained earnings from reserves	-	(114,659)	114,659	-
<b>Balance at December 31, 2023</b>	10,000,000	12,186,427	44,868,515	67,054,942

#### 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, 2023 which are prepared in accordance with International Financial Reporting Standards.

### Board of Directors

Mr. I. R. De Souza, BSc, MBA, CPA, CIRA - Chairman | Mr. J.W. Gellineau, FCA | Mrs. M. J. Mahabir, KC | Mr. V. W. Boyce BSc, MSc |

Mr. O. G. Jordan, FCPA, FCA, MBA, ICD.D | Mr. R.R. Cyrus, BSc, CFA | Ms. K. M. Brathwaite, BSc, MSc | Mr. A. C. Walcott, CPA, CBV, FCA | Mr. A. N. Sabga BSc, MBA