

CHAIRMAN'S STATEMENT

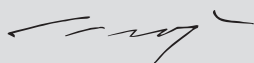
Dear Shareholder

The Bank recorded net profit after tax of \$10.4 million for the year ended September 30, 2022, an increase of \$3.6 million or 52.6% over the 2021 profit of \$6.8 million. This improved performance reflects a reduction in credit loss on financial assets of \$7.1 million due to improvement in economic activities and reduced provisions held for the potential impact of COVID-19. The Bank remains well capitalized with a Tier 1 capital ratio of 11.2%.

Based on results for fiscal 2022, the board of directors has declared a final dividend of \$0.30 per share which brings the total dividend to \$1.40 per share for fiscal 2022. The final dividend would be paid on January 13, 2023, to shareholders on record as at December 30, 2022.

During the fiscal, there was a change in Government and the Bank stands ready to continue playing its part in furthering national development.

On November 1, 2022, the Bank achieved a major milestone when it successfully completed its IT systems conversion to the Phoenix technology platform. The new IT System will improve the customer experience and generate major benefits for all stakeholders. This new operating system together with continued projected growth in the Grenada economy augers well for the Bank.



Gregory I. Thomson
CHAIRMAN


December 22, 2022

**STATEMENT OF FINANCIAL POSITION
as at September 30, 2022**

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

ASSETS	2022	Restated 2021
Cash	25,132	21,396
Statutory deposits with Central Bank	96,297	92,808
Due from banks	330,889	425,721
Treasury Bills	131,962	51,852
Advances	901,510	863,140
Investment securities	318,797	223,039
Investment interest receivable	2,119	1,998
Premises and equipment	37,788	36,100
Right-of-use assets	3,001	4,075
Intangible assets	58,729	59,841
Employee benefits	4,817	4,732
Deferred tax assets	5,309	5,020
Taxation recoverable	–	900
Other assets	9,368	12,761
TOTAL ASSETS	1,925,718	1,803,383
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks	47,859	10,090
Customers' current, savings and deposit accounts	1,615,659	1,541,461
Lease liabilities	3,272	4,216
Employee obligations	4,539	2,597
Taxation payable	1,124	–
Deferred tax liabilities	2,699	2,891
Accrued interest payable	189	244
Other liabilities	19,648	13,077
TOTAL LIABILITIES	1,694,989	1,574,576
EQUITY		
Stated capital	117,337	117,337
Statutory reserve	26,256	24,178
General contingency reserve	3,452	–
Retained earnings	83,684	87,292
TOTAL EQUITY	230,729	228,807
TOTAL LIABILITIES AND EQUITY	1,925,718	1,803,383

These financial statements were approved by the Board of Directors on December 22, 2022, and signed on its behalf by:



Gregory I. Thomson,
Chairman



Naomi De Allie,
Managing Director

STATEMENT OF INCOME
For the year ended September 30, 2022

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2022	2021
Interest income	63,910	62,125
Interest expense	(19,054)	(18,347)
Net interest income	44,856	43,778
Other income	23,992	21,478
	68,848	65,256
Operating expenses	(55,586)	(50,488)
Operating profit	13,262	14,768
Credit loss recovery/(expense) on financial assets	451	(6,682)
Net profit before taxation	13,713	8,086
Taxation expense	(3,322)	(1,275)
Net profit after taxation	10,391	6,811
Earnings per share (expressed in \$ per share)		
Basic	\$2.75	\$1.80
Weighted average number of shares ('000)		
Weighted average number of shares	3,774	3,774
Number of shares outstanding at year end	3,774	3,774

STATEMENT OF COMPREHENSIVE INCOME
For the year ended September 30, 2022

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2022	2021
Net profit after taxation	10,391	6,811
Other comprehensive loss:		
<i>Other comprehensive (loss)/income that will not be reclassified to the income statement in subsequent periods:</i>		
Net remeasurement losses on defined benefit plan	(713)	(1,381)
Income tax related to above	200	387
	(513)	(994)
Net remeasurement (losses)/gains on post-retirement medical and group life plans	(1,510)	150
Income tax related to above	423	(42)
	(1,087)	108
Total items that will not be reclassified to the income statement in subsequent periods	(1,600)	(886)
Other comprehensive loss for the year, net of tax	(1,600)	(886)
Total comprehensive income for the year, net of tax	8,791	5,925

STATEMENT OF CHANGES IN EQUITY
For the year ended September 30, 2022

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	Stated capital	Statutory reserve	General contingency reserve	Retained earnings	Total equity
Balance as at September 30, 2020	117,337	22,816	–	81,134	221,287
Total comprehensive income for the year	–	–	–	5,925	5,925
Transfer to statutory reserve	–	1,362	–	(1,362)	–
Prior period adjustments	–	–	–	1,595	1,595
Balance as at September 30, 2021, restated	117,337	24,178	–	87,292	228,807
Balance as at September 30, 2021, restated	117,337	24,178	–	87,292	228,807
Total comprehensive income for the year	–	–	–	8,791	8,791
Transfer to statutory reserve	–	2,078	–	(2,078)	–
Transfer to general contingency reserve	–	–	3,452	(3,452)	–
Dividends paid	–	–	–	(6,869)	(6,869)
Balance as at September 30, 2022	117,337	26,256	3,452	83,684	230,729

STATEMENT OF CASH FLOWS
For the year ended September 30, 2022

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2022	2021
Operating activities		
Profit before taxation	13,713	8,086
Adjustments for:		
Depreciation of premises and equipment and right-of-use assets	3,850	3,833
Credit loss (recovery)/expense on financial assets	(570)	7,849
Investment securities' impairment expense/(recovery)	119	(1,167)
Realised gain on investment securities	-	(149)
Amortisation of intangibles	1,112	1,112
Gain on sale of premises and equipment	(71)	(61)
Work-in-progress written off	8	64
Foreign exchange loss on investment securities	-	(9)
Amortisation of premium/discount on investment securities	2,548	759
Increase in employee benefits/obligations, net	(367)	(538)
Increase in advances	(37,800)	(33,913)
Increase in customers' current, savings and deposit accounts	74,198	2,712
(Increase)/decrease in statutory deposits with Central Bank	(3,489)	52,952
Decrease/(increase) in other assets and investment interest receivable	3,272	(9,065)
Increase/(decrease) in other liabilities and accrued interest payable	6,519	(339)
Increase in balances due to other banks	37,769	2,061
Taxes paid, net of refund	(1,179)	(4,329)
Cash provided by operating activities	<u>99,632</u>	<u>29,858</u>
Investing activities		
Purchase of investment securities	(204,117)	(97,945)
Purchase of Treasury Bills	(33,802)	(30,541)
Redemption of investment securities	105,693	106,891
Redemption of Treasury Bills	30,295	39,506
Additions to premises and equipment	(4,429)	(2,387)
Proceeds from sale of premises and equipment	105	191
Cash (used in)/provided by investing activities	<u>(106,255)</u>	<u>15,715</u>
Financing activities		
Repayment of lease liabilities	(1,001)	(1,112)
Dividends paid	(6,869)	-
Cash used in financing activities	<u>(7,870)</u>	<u>(1,112)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(14,493)</u>	<u>44,461</u>
Cash and cash equivalents at beginning of year	<u>469,196</u>	<u>424,735</u>
Cash and cash equivalents at end of year	<u>454,703</u>	<u>469,196</u>
Cash and cash equivalents at end of year are represented by:		
Cash on hand	25,132	21,396
Due from banks	330,889	425,721
Treasury Bills - original maturity of three months or less	98,682	22,079
	<u>454,703</u>	<u>469,196</u>
Supplemental information:		
Interest received during the year	68,976	66,790
Interest paid during the year	19,110	18,958
Dividends received	32	50