ACB CARIBBEAN
Simply Smarter Banking

Press Release

ACB Caribbean Hosts Its First Online Annual General Meeting

The **65th ANNUAL GENERAL MEETING** of the Shareholders of **ANTIGUA COMMERCIAL BANK LTD.**, now trading as **ACB CARIBBEAN**, was held virtually on Thursday March 25, 2021 in accordance with Article 12.1 of the Company's Bylaws and under the Theme, **BUILDING A FUTURE FOR YOU**.

Over 100 of our Shareholders, who pre-registered to attend the Meeting online, actively engaged in discussions on key developments in our business and on industry trends within the last year.

Marked by unprecedented events, Financial Year 2020, though presenting significant challenges, also provided opportunities for **ACB CARIBBEAN** to demonstrate our resilience by enhancing technologies to meet the demands of the "new normal".

For the financial year ended September 30, 2020, the Company recorded a **Consolidated Net Profit** of **$3.4 million**, a decline of 84% from the previous year. This performance was directly impacted by factors arising from the COVID-19 pandemic, provisions that had to be made for some Business and Mortgage loan customers who had been adversely impacted during the year and a change in loan loss provisions which resulted in this category increasing by 108%.

The Company's balance sheet remains strong with Assets growing by approximately **$17 million** for a total of **$1.3 billion**, reflecting continued strong liquidity and capitalization.

ACB MORTGAGE & TRUST COMPANY LIMITED, the Company's wholly owned Subsidiary, recorded a Net Profit of **$7.2 million** and remains a significant presence in the residential housing market, providing competitive terms and excellent customer service.

Shareholders approved a **CASH DIVIDEND** of **$850,000** for the financial year ended September 30, 2020, to be paid to Shareholders on record as at March 1, 2021.

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With respect to the **BOARD OF DIRECTORS**, retiring **DIRECTORS, SHARON A. MATTHEW-EDWARDS, SANDRA DERRICK** and **C. DAVIDSON CHARLES**, being eligible, were re-elected to the Board.

SHARON A. MATTHEW - EDWARDS
Vice Chairman

SANDRA DERRICK
Vice Chairman

C. DAVIDSON CHARLES
Director

The Present Members of the **BOARD OF DIRECTORS** are:

LORRAINE RAEBURN | Chairman
SHARON A. MATTHEW - EDWARDS | Vice Chairman
SANDRA DERRICK | Vice Chairman
CASSANDRA P. SIMON | Vice Chairman
C. DAVIDSON CHARLES | Director
C. KEVIN SILSTON
C. KAMILAH ROBERTS
DESIREE A. ZACHARIAH
ERIC E. JOSEPH
DYNA M. HARNEY - BARNES

Audit Firm, KPMG, was re-appointed as the Company's External Auditors for the year ending September 30, 2021.

IN LOOKING AHEAD, ACB CARIBBEAN's Strategy, under our renewed Visual Identity, will continue to focus on maximizing shareholder value by institutional strengthening in the following areas:

- **Pursuing growth and sustainability of earnings**
- **Enhancing the customer experience by improving our technological capabilities**
- **Improving operational efficiency through automation and the implementation of an effective enterprise risk management framework**
- **Developing a cadre of highly skilled, professional and productive work force.**

ACB CARIBBEAN remains determined on our path to achieving sustained excellence in all that we do and stands ready to embrace the challenges ahead with an optimistic outlook.

We are commitment to exceeding the expectations of our supportive Shareholders, dedicated Employees, loyal Customers, the people of Antigua and Barbuda and beyond.

BY ORDER OF THE BOARD

RHODETTE PAIGE
LEGAL COUNSEL/ CORPORATE SECRETARY

March 29, 2021

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Antigua Commercial Bank Ltd.

Report on the Audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at September 30, 2020, the summary consolidated statements of income, 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 consolidated financial statements of Antigua Commercial Bank Ltd. and its subsidiaries ("the Group") for the year ended September 30, 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 19, 2021.

INDEPENDENT AUDITORS' REPORT *(cont'd)*

To the Shareholders of Antigua Commercial Bank Ltd.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated 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.*"

KPMG

Chartered Accountants
February 19, 2021

Antigua and Barbuda

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Financial Position

As at September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

		2020	2019
Assets			
Cash and balances with the Central Bank	$	133,128,669	169,110,446
Due from other banks		184,531,368	97,482,109
Treasury bills		95,694,151	89,836,565
Statutory deposit		6,869,059	5,965,440
Loans and advances		659,165,380	674,762,574
Other assets		21,428,477	15,434,041
Investment securities		153,813,115	184,810,677
Property and equipment		34,739,303	34,529,550
Right-of-use asset		516,351	-
Pension asset		7,128,904	7,561,763
Total Assets	$	1,297,014,777	1,279,493,165
Liabilities and Equity			
Liabilities			
Income tax payable	$	1,335,016	3,826,505
Deposits due to customers		1,033,687,159	1,008,480,032
Lease liability		518,599	-
Provisions and other liabilities		19,295,397	16,793,189
Deferred tax liability		3,589,557	5,775,417
Total Liabilities		1,058,425,728	1,034,875,143
Equity			
Stated capital		36,000,000	36,000,000
Statutory reserve		26,059,962	26,059,962
Other reserves		70,978,497	75,160,350
Retained earnings		105,550,590	107,397,710
Total Equity		238,589,049	244,618,022
Total Liabilities and Equity	$	1,297,014,777	1,279,493,165

Approved for issue by the Board of Directors on February 19, 2021 and signed on its behalf by:

_____ **Chairman**

_____ **Director**

_____ **Director**

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Income

For the year ended September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

		2020	2019
Interest income			
Income from loans and advances	$	45,325,045	52,366,010
Income from deposits with other banks and investments		9,855,992	12,237,396
		55,181,037	64,603,406
Interest expense			
Savings accounts		10,643,060	10,117,888
Time deposits and current accounts		4,138,411	4,393,344
Investment expenses		48,624	28,777
		14,830,095	14,540,009
Net interest income		40,350,942	50,063,397
Other operating income		18,767,525	16,927,728
Total income		59,118,467	66,991,125
Operating expenses			
General and administrative expenses		28,648,511	28,923,335
Depreciation		2,263,820	2,198,204
Depreciation on right-of-use asset		309,811	-
Directors' fees and expenses		949,437	944,182
Provision for loan impairment		22,609,895	10,874,896
Provision for impairment of other financial assets		1,861,576	7,790
Property – revaluation adjustment		-	(1,300,392)
		56,643,050	41,648,015
Profit before tax		2,475,417	25,343,110
Taxation			
Current tax expense		990,667	3,888,538
Deferred tax (credit) expense		(1,945,628)	719,141
		(954,961)	4,607,679
Profit for the year	$	3,430,378	20,735,431
Earnings per share	$	0.34	2.07

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

		2020	2019
Profit for the year	$	3,430,378	20,735,431
Other comprehensive income:			
Items net of tax that will never be reclassified subsequently to profit or loss:			
Increase in fair value of equity securities at fair value through other comprehensive income (FVOCI), net of taxes of $1,980 (2019: $1,979)		3,336,529	5,934
Revaluation surplus due to increase in fair value of property		-	585,000
Actuarial loss for the year, net of taxes of $236,786 (2019: $280,844)		(710,357)	(842,534)
Other comprehensive income/(loss) for the year	$	2,626,172	(251,600)
Total comprehensive income for the year	$	6,056,550	20,483,831

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Cash Flows

For the year ended September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

		2020	2019
Cash flows from operating activities			
Profit for the year	$	3,430,378	20,735,431
Items not affecting cash:			
Provision for loan impairment		22,609,895	10,874,896
Provision for impairment of other financial assets		1,861,577	7,790
Depreciation		2,573,631	2,198,204
Loss on disposal of property and equipment (PPE)		34,213	-
Pension income		(114,757)	(173,144)
Property revaluation adjustment		-	(1,300,392)
Interest income		(55,181,037)	(64,603,406)
Interest expense		14,830,095	14,540,009
Tax (credit) expense		(954,961)	4,607,679
Cash flows used in operating activities before changes in operating assets and liabilities		(10,910,966)	(13,112,933)
Change in statutory deposit		(903,619)	(90,628)
Change in other receivables and other assets		(11,383,390)	6,219,102
Change in loans and advances		(4,116,442)	(31,519,633)
Change in deposits due to customers		25,018,302	35,585,840
Change in provisions and other liabilities		2,252,946	(3,320,181)
Cash flows from/(used in) operating activities before interest, taxes and pension contributions		(43,169)	(6,238,433)
Interest received		52,767,394	63,123,298
Interest paid		(14,641,270)	(14,526,400)
Taxes paid		(3,482,156)	(1,184,051)
Pension contributions paid		(399,527)	(402,495)
Net cash flows provided by operating activities		34,201,272	40,771,919
Cash flows from investing activities			
Redemption of investment securities		39,908,997	19,843,110
Redemption (Purchase) of short-term investments		10,000,000	(25,000,000)
Purchase of property and equipment		(2,507,786)	(2,230,555)
Purchase of investment securities		(49,045,890)	(52,292,708)
Net cash flows used in investing activities		(1,644,679)	(59,680,153)
Cash flows from financing activities			
Payment of lease liabilities		(320,811)	-
Dividends paid		(5,000,000)	(4,000,000)
Net cash flows used in financing activities		(5,320,811)	(4,000,000)
Net increase (decrease) in cash and cash equivalents		27,235,782	(22,908,234)
Cash and cash equivalents, beginning of year		203,193,718	226,101,952
Cash and cash equivalents, end of year	$	230,429,500	203,193,718

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Changes in Equity

For the year ended September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

		Stated Capital	Statutory Reserve	Revaluation Reserve: FVOCI Investments	Capital Reserve	Revaluation Reserve- PPE	Pension Reserve	Regulatory Loan Loss Reserve	Retained Earnings	Total
Balance at September 30, 2019	$	36,000,000	26,059,962	19,235,907	7,461,949	5,902,922	7,561,763	34,997,809	107,397,710	244,618,022
Profit for the year		-	-	-	-	-	-	-	3,430,378	3,430,378
Other comprehensive income		-	-	3,336,529	-	-		-	(710,357)	2,626,172
Total comprehensive income		-	-	3,336,529	-	-		-	2,720,021	6,056,550
Transfer to reserve fund		-	-	-	-	-	-	-	-	-
Decrease in reserve for loan loss		-	-	-	-	-	-	(7,085,523)	-	(7,085,523)
Decrease in pension reserve		-	-	-	-	-	(432,859)	-	432,859	-
Transactions with owners										
Dividends paid		-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Balance at September 30, 2020	$	36,000,000	26,059,962	22,572,436	7,461,949	5,902,922	7,128,904	27,912,286	105,550,590	238,589,049

ANTIGUA COMMERCIAL BANK LTD.

Summary Consolidated Statement of Changes in Equity *(cont'd)*

For the year ended September 30, 2020
with comparative figures for 2019

(Expressed in Eastern Caribbean Dollars)

	Stated Capital	Statutory Reserve	Revaluation Reserve: FVOCI Investments	Capital Reserve	Revaluation Reserve- PPE	Pension Reserve	Regulatory Loan Loss Reserve	Retained Earnings	Total
Balance at September 30, 2018 as previously stated	$ 36,000,000	23,459,372	2,736,004	7,461,949	5,317,922	8,109,502	34,997,809	100,307,865	218,390,423
Changes on initial application of IFRS 9	-	-	16,493,969	-	-	-	-	(6,750,201)	9,743,768
Restated balance at October 1, 2018	36,000,000	23,459,372	19,229,973	7,461,949	5,317,922	8,109,502	34,997,809	93,557,664	228,134,191
Profit for the year	-	-	-	-	-	-	-	20,735,431	20,735,431
Other comprehensive income	-	-	5,934	-	585,000	-	-	(842,534)	(251,600)
Total comprehensive income	-	-	5,934	-	585,000	-	-	19,892,897	20,483,831
Transfer to reserve fund	-	2,600,590	-	-	-			(2,600,590)	-
Decrease in pension reserve	-	-	-	-	-	(547,739)	-	547,739	-
Transactions with owners									
Dividends paid	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)
Balance at September 30, 2019	$ 36,000,000	26,059,962	19,235,907	7,461,949	5,902,922	7,561,763	34,997,809	107,397,710	244,618,022

ANTIGUA COMMERCIAL BANK LTD.

Note to Summary Consolidated Financial Statements

September 30, 2020

(Expressed in Eastern Caribbean Dollars)

1. Basis of preparation

These summary consolidated financial statements are derived from the audited consolidated financial statements of Antigua Commercial Bank Ltd. and its subsidiaries for the year ended September 30, 2020 and have been prepared in accordance with criteria developed by management.