



Caribbean Union Bank



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INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
CARIBBEAN UNION BANK LIMITED

Opinion

The summary financial statements which comprise the summary consolidated statement of financial position as at December 31, 2017, the summary consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Caribbean Union Bank Limited for the year ended December 31, 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects with the audited financial statements, in accordance with those consolidated financial statements.

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 the auditors report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the audited consolidated auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

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 May 3, 2018.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary audited consolidated financial statements.

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, "Engagements to Report on Summary Financial Statements."

Chartered Accountants
May 04, 2018
Antigua and Barbuda

BDO Eastern Caribbean, a network of firms registered in Anguilla, Antigua and Barbuda, St. Lucia and St. Vincent and the Grenadines, is a member of BDO International Limited, a UK company Limited by guarantee, and forms part of the international BDO network of independent member firms

Caribbean Union Bank Limited

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION December 31, 2017 (Expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
Assets		
Cash and balances with the Central Bank	25,290,915	15,614,688
Short-term marketable securities	93,111	93,209
Due from other banks	37,039,498	46,209,818
Treasury bills	11,730,852	5,366,845
Investment securities	34,688,652	2,276,655
Loans and advances	113,581,983	96,667,112
Other assets	938,318	1,275,861
Property and equipment	1,418,463	1,402,131
Deferred tax asset	7,334,787	-
Total assets	232,116,579	168,906,319
Liabilities		
Customers' deposits	188,173,851	136,670,101
Other liabilities and accrued expenses	5,862,075	3,098,066
Total liabilities	194,035,926	139,768,167
Shareholders' Equity		
Share capital	39,557,385	39,557,385
Treasury shares	(218,412)	(218,412)
Reserves	2,753,207	888,044
Accumulated deficit	(4,011,527)	(11,088,865)
Total Shareholders' Equity	38,080,653	29,138,152
Total liabilities and Shareholders' Equity	232,116,579	168,906,319

Approved for issue by the Board of Directors on 4th May, 2018 and signed on its behalf by:

Chairman

Director

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended December 31, 2017 (expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
Interest income		
Income from loans and advances	9,937,712	9,231,602
Income from deposits with other banks and investments	741,527	184,568
	10,679,239	9,416,170
Interest expense		
Time deposits	1,981,504	2,214,340
Chequing	101,475	107,531
Savings	536,163	476,030
	2,619,142	2,797,901
Net interest income	8,060,097	6,618,269
Fee and commission income	3,211,393	3,021,783
Other operating income	1,316,704	1,154,631
Operating income	12,588,194	10,794,683
Operating expenses		
General and administrative expenses	5,464,290	5,326,638
Employee costs	4,092,400	3,530,431
Depreciation	733,476	535,208
Provision for loan impairment	309,167	948,657
Bad debt	103,206	-
Directors' fees and expenses	277,941	319,640
	10,980,480	10,660,574
Profit before taxation	1,607,714	134,109
Taxation	7,334,787	-
Net profit for the year	8,942,501	134,109
Total Comprehensive Income	8,942,501	134,109

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2017

(Expressed in Eastern Caribbean dollars)

	Ordinary shares \$	Treasury shares \$	Statutory reserve \$	Regulatory reserve for loan impairment \$	Accumulated deficit \$	Total \$
Balance as at December 31, 2015	15,557,385	(218,412)	231,629	1,437,911	(12,004,470)	5,004,043
Net income for the year	-	-	-	-	134,109	134,109
Shares issued	24,000,000	-	-	-	-	24,000,000
Reserve for loan impairment for regulatory purposes	-	-	-	(808,438)	808,438	-
Transfer to reserve fund	-	-	26,942	-	(26,942)	-
Balance as at December 31, 2016	39,557,385	(218,412)	258,571	629,473	(11,088,865)	29,138,152
Net income for the year	-	-	-	-	8,942,501	8,942,501
Reserve for loan impairment for regulatory purposes	-	-	-	76,543	(76,543)	-
Transfer to reserve fund	-	-	1,788,620	-	(1,788,620)	-
Balance as at December 31, 2017	39,557,385	(218,412)	2,047,191	706,016	(4,011,527)	38,080,653

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2017

(Expressed in Eastern Caribbean Dollars)

	2017 \$	2016 \$
Cash flows from operating activities		
Profit before tax	1,607,714	134,109
Adjustments for:		
Depreciation	733,476	535,208
Provision for loan impairment	309,167	948,657
Gain on disposal of property and equipment	-	(5,000)
Interest income	(10,679,239)	(9,416,170)
Interest expenses	2,619,142	2,797,901
Operating losses before changes in operating assets and liabilities	(5,409,740)	(5,005,295)
Change in restricted deposits	(2,752,000)	(132,000)
Change in loans and advances, net of repayments	(17,302,718)	4,565,922
Change in other assets	337,543	325,614
Change in customers' deposits	51,055,309	(7,283,575)
Change in other liabilities and accrued expenses	2,764,009	900,893
Cash generated from/(used in) operations	28,692,403	(6,628,441)
Interest paid	(2,170,701)	(2,745,202)
Interest received	10,592,991	9,432,858
Net cash generated from operating activities	37,114,693	59,215
Cash flows from investing activities		
Purchase of treasury bills	(6,199,082)	(3,830,421)
Purchase of investment securities	(32,411,994)	(1,451,940)
Purchase of property and equipment	(749,808)	(437,914)
Proceeds from disposal of property and equipment	-	104,420
Net cash used in investing activities	(39,360,884)	(5,615,855)
Cash flows from financing activities		
Proceeds from issuance of shares, being net cash generated from financing activities	-	24,000,000
(Decrease)/increase in cash and cash equivalents	(2,246,191)	18,443,360
Cash and cash equivalents, beginning of year	54,102,715	35,659,355
Cash and cash equivalents, end of year	51,856,524	54,102,715

Notes to Summary Consolidated Financial Statements

December 31, 2017

1. Basis of Preparation

These summary consolidated financial statements are derived from the audited consolidated financial statements of Caribbean Union Bank Limited for the year ended December 31, 2017.