



Caribbean Union Bank



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INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
CARIBBEAN UNION BANK LIMITED

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2018, 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, 2018. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 29, 2019.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Caribbean Union Bank Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the summary 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."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Caribbean Union Bank Limited for the year ended December 31, 2018 are consistent, in all material respects, with those consolidated financial statements.

Chartered Accountants
April 29, 2019

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, 2018
(Expressed in Eastern Caribbean dollars)

	2018 \$	2017 \$
Assets		
Cash and balances with the Central Bank	19,797,010	25,290,915
Investment securities	21,792,921	32,592,531
Due from other banks	32,400,074	39,228,730
Treasury bills	12,384,488	11,730,852
Loans and advances	129,050,263	113,581,983
Other assets	1,751,770	938,318
Property and equipment	1,323,299	1,418,463
Deferred tax asset	6,681,770	7,334,787
Total assets	225,181,595	232,116,579
Liabilities		
Customers' deposits	179,414,730	188,173,851
Other liabilities and accrued expenses	5,366,501	5,862,075
Total liabilities	184,781,231	194,035,926
Shareholders' Equity		
Share capital	39,557,385	39,557,385
Treasury shares	(218,412)	(218,412)
Reserves	3,336,801	2,753,207
Accumulated deficit	(2,275,410)	(4,011,527)
Total Shareholders' Equity	40,400,364	38,080,653
Total liabilities and Shareholders' Equity	225,181,595	232,116,579

Approved for issue by the Board of Directors on 29th April 2019 and signed on its behalf by:

Chairman

Director

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
Year ended December 31, 2018
(Expressed in Eastern Caribbean dollars)

	2018 \$	2017 \$
Interest income		
Income from loans and advances	10,990,895	9,937,712
Income from deposits with other banks and investments	1,164,096	741,527
	12,154,991	10,679,239
Interest expense		
Time deposits	1,963,892	1,981,504
Chequing	137,610	101,475
Savings	601,811	536,163
	2,703,313	2,619,142
Net interest income	9,451,678	8,060,097
Fee and commission income	3,997,063	3,211,393
Other operating income	1,709,074	1,316,704
Operating income	15,157,815	12,588,194
Operating expenses		
General and administrative expenses	6,157,549	5,464,290
Employee costs	4,467,977	4,092,400
Depreciation	505,179	733,476
Provision for loan impairment	718,148	309,167
Net impairment losses on other assets	6,564	103,206
Directors' fees and expenses	329,670	277,941
	12,185,087	10,980,480
Profit before taxation	2,972,728	1,607,714
Taxation	(653,017)	7,334,787
Net profit after tax	2,319,711	8,942,501

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
Year ended December 31, 2018

	2018 \$	2017 \$
Other comprehensive income		
Items that will not be reclassified to profit or loss	-	-
Changes in the value of financial assets at fair value through OCI	-	-
Income tax relating to this item	-	-
Other comprehensive income for the period net tax	-	-
Total comprehensive income for the period	2,319,711	8,942,501

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2018

(Expressed in Eastern Caribbean dollars)

	Ordinary Shares \$	Treasury Shares \$	Statutory Reserve \$	Regulatory reserve for loan impairment \$	Accumulated Deficit \$	Total \$
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
Transfer to statutory reserve fund	-	-	1,788,620	-	(1,788,620)	-
Reserve for loan impairment for regulatory purposes	-	-	-	76,543	(76,543)	-
Balance as at December 31, 2017	39,557,385	(218,412)	2,047,191	706,016	(4,011,527)	38,080,653
Net income for the year	-	-	-	-	2,319,711	2,319,711
Transfer to statutory reserve fund	-	-	464,032	-	(464,032)	-
Reserve for loan impairment for regulatory purposes	-	-	-	119,562	(119,562)	-
Balance as at December 31, 2018	39,557,385	(218,412)	2,511,223	825,578	(2,275,410)	40,400,364

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2018

(Expressed in Eastern Caribbean Dollars)

	2018 \$	2017 \$
Cash flows from operating activities		
Profit before tax	2,972,728	1,607,714
Adjustments for:		
Depreciation	505,179	733,476
Provision for loan impairment	718,148	309,167
Impairment loss on other assets	6,564	103,206
Interest income	(12,154,991)	(10,679,239)
Interest expenses	2,703,313	2,619,142
Operating losses before changes in operating assets and liabilities	(5,249,059)	(5,306,534)
Change in restricted deposits	211,000	(2,752,000)
Change in loans and advances, net of repayments	(16,208,532)	(17,302,718)
Change in other assets	(820,016)	235,158
Change in financial assets at fair value through profit and loss	(390)	(723)
Change in customers' deposits	(9,205,605)	51,055,309
Change in other liabilities and accrued expenses	(495,574)	2,764,009
Cash (used in)/ generated from operations	(31,768,176)	28,692,501
Interest paid	(2,256,829)	(2,170,701)
Interest received	12,205,659	10,592,991
Net cash (used in)/generated from operating activities	(21,819,346)	37,114,791
Cash flows from investing activities		
Purchase of treasury bills	(682,200)	(6,199,082)
Purchase of financial assets at amortized cost	(108,000,000)	(156,600,000)
Redemption of financial assets at amortised cost	118,800,000	124,200,000
Purchase of property and equipment	(410,015)	(749,808)
Net cash generated from/(used in) from investing activities	9,707,785	(39,348,890)
Decrease in cash and cash equivalents	(12,111,561)	(2,234,099)
Cash and cash equivalents, beginning of year	53,952,645	56,186,744
Cash and cash equivalents, end of year	41,841,084	53,952,645

Notes to Summary Consolidated
Financial Statements
December 31, 2018

I. 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, 2018.