



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, 2019, 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, 2019. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 8, 2020.

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, 2019 are consistent, in all material respects, with those consolidated financial statements.

  
Chartered Accountants  
May 19, 2020

Antigua and Barbuda

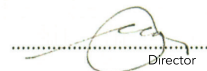
Caribbean Union Bank Limited

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION December 31, 2019 (Expressed in Eastern Caribbean dollars)

	2019 \$	2018 \$
<b>Assets</b>		
Cash and balances with the Central Bank	20,971,217	19,797,010
Investment securities	16,393,736	21,792,921
Due from other banks	32,449,100	32,400,074
Treasury bills	12,018,747	12,384,488
Loans and advances	147,447,719	129,396,897
Other assets	1,896,154	1,667,979
Property and equipment	7,768,184	1,323,299
Deferred tax asset	5,991,484	6,681,770
<b>Total assets</b>	<b>244,936,341</b>	<b>225,444,438</b>
<b>Liabilities</b>		
Customers' deposits	192,615,780	179,414,730
Other liabilities and accrued expenses	9,511,769	5,629,344
<b>Total liabilities</b>	<b>202,127,549</b>	<b>185,044,074</b>
<b>Shareholders' Equity</b>		
Share capital	39,557,385	39,557,385
Treasury shares	(218,412)	(218,412)
Reserves	3,860,189	3,336,801
Accumulated deficit	(390,370)	(2,275,410)
<b>Total Shareholders' Equity</b>	<b>42,808,792</b>	<b>40,400,364</b>
<b>Total liabilities and Shareholders' Equity</b>	<b>244,936,341</b>	<b>225,444,438</b>

Approved for issue by the Board of Directors on 19th May, 2020 and signed on its behalf by:

  
Chairman

  
Director

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended December 31, 2019 (expressed in Eastern Caribbean dollars)

	2019 \$	2018 \$
<b>Interest income</b>		
Income from loans and advances	12,176,176	10,990,895
Income from deposits with other banks and investments	934,395	1,164,096
	13,110,571	12,154,991
<b>Interest expense</b>		
Time deposits	1,983,028	1,963,892
Chequing	55,257	137,610
Savings	694,495	601,811
	2,732,780	2,703,313
<b>Net interest income</b>	<b>10,377,791</b>	<b>9,451,678</b>
<b>Fee and commission income</b>	<b>4,136,969</b>	<b>3,997,063</b>
<b>Other operating income</b>	<b>2,961,435</b>	<b>1,709,074</b>
<b>Operating income</b>	<b>17,476,195</b>	<b>15,157,815</b>
<b>Operating expenses</b>		
General and administrative expenses	7,105,864	6,157,549
Employee costs	4,915,488	4,467,977
Depreciation	1,055,213	505,179
Provision for loan impairment	408,335	718,148
Net impairment losses on other assets	-	6,564
Directors' fees and expenses	317,205	329,670
	13,802,105	12,185,087
<b>Profit before taxation</b>	<b>3,674,090</b>	<b>2,972,728</b>
<b>Taxation</b>	<b>(1,057,695)</b>	<b>(653,017)</b>
<b>Net profit after tax</b>	<b>2,616,395</b>	<b>2,319,711</b>

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

Year ended December 31, 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$	2018 \$
<b>Other comprehensive income</b>		
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	-	-
<b>Other comprehensive income for the year, net of tax</b>	-	-
<b>Total comprehensive income for the year</b>	<b>2,616,395</b>	<b>2,319,711</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2019

(Expressed in Eastern Caribbean dollars)

	Ordinary shares \$	Treasury shares \$	Statutory reserve \$	Regulatory reserve for loan impairment \$	Accumulated deficit \$	Total \$
<b>Balance as at December 31, 2017</b>	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)	-
<b>Balance as at December 31, 2018</b>	39,557,385	(218,412)	2,511,223	825,578	(2,275,410)	40,400,364
Effect of change in accounting policy - IFRS 16	-	-	-	-	(207,967)	(207,967)
Net income for the year	-	-	-	-	2,616,395	2,616,395
Transfer to statutory reserve fund	-	-	523,388	-	(523,388)	-
<b>Balance as at December 31, 2019</b>	<b>39,557,385</b>	<b>(218,412)</b>	<b>3,034,611</b>	<b>825,578</b>	<b>(390,370)</b>	<b>42,808,792</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Profit before tax	<b>3,674,090</b>	2,972,728
<b>Adjustments for:</b>		
Depreciation	<b>1,055,213</b>	505,179
Provision for loan impairment	<b>408,335</b>	718,148
Impairment loss on other assets	-	6,564
Interest income	<b>(13,110,571)</b>	(12,154,991)
Interest expenses	<b>2,732,780</b>	2,703,313
<b>Operating losses before changes in operating assets and liabilities</b>	<b>(5,240,153)</b>	(5,249,059)
Change in restricted deposits	<b>(731,000)</b>	211,000
Change in loans and advances, net of repayments	<b>(18,402,714)</b>	(16,208,532)
Change in other assets	<b>(228,175)</b>	(820,016)
Change in financial assets at fair value through profit and loss	<b>(815)</b>	(390)
Change in customers' deposits	<b>14,145,845</b>	(9,205,605)
Change in other liabilities and accrued expenses	<b>3,307,049</b>	(495,574)
<b>Cash used in operations</b>	<b>(7,149,963)</b>	(31,768,176)
Interest paid	<b>(3,677,575)</b>	(2,256,829)
Interest received	<b>13,061,007</b>	12,205,659
<b>Net cash generated from/(used in) operating activities</b>	<b>2,233,469</b>	(21,819,346)
<b>Cash flows from investing activities</b>		
Redemption/(purchase) of treasury bills	<b>358,862</b>	(682,200)
Purchase of financial assets at amortized cost	<b>(16,200,000)</b>	(108,000,000)
Redemption of financial assets at amortized cost	<b>21,600,000</b>	118,800,000
Acquisition and recognition of property and equipment	<b>(7,500,098)</b>	(410,015)
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,741,236)</b>	9,707,785
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>492,233</b>	(12,111,561)
<b>Cash and cash equivalents, beginning of year</b>	<b>41,841,084</b>	53,952,645
<b>Cash and cash equivalents, end of year</b>	<b>42,333,317</b>	41,841,084

Notes to Summary Consolidated  
Financial Statements  
December 31, 2019  
(Expressed in Eastern Caribbean dollars)

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, 2019.

