



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, 2020, the summary consolidated statements of profit or loss and other comprehensive income, changes in shareholder's 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, 2020. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated July 20, 2021.

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, 2020 are consistent, in all material respects, with those consolidated financial statements.

Chartered Accountants  
July 30, 2021

Antigua and Barbuda

Caribbean Union Bank Limited

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION December 31, 2020 (Expressed in Eastern Caribbean dollars)

	2020 \$	2019 \$
<b>Assets</b>		
Cash and balances with the Central Bank	34,501,180	20,971,217
Investment securities	194,523	16,393,736
Due from other banks	28,995,612	32,449,100
Treasury bills	11,994,318	12,018,747
Loans and advances	162,162,782	147,447,719
Other assets	4,069,498	1,896,154
Property and equipment	6,893,204	7,768,184
Deferred tax asset	6,308,954	5,991,484
<b>Total assets</b>	<b>255,120,071</b>	<b>244,936,341</b>
<b>Liabilities</b>		
Customers' deposits	203,962,014	192,615,780
Other liabilities and accrued expenses	7,962,391	9,511,769
<b>Total liabilities</b>	<b>211,924,405</b>	<b>202,127,549</b>
<b>Shareholders' Equity</b>		
Share capital	39,557,385	39,557,385
Treasury shares	(218,412)	(218,412)
Reserves	4,420,371	3,860,189
Accumulated deficit	(563,678)	(390,370)
<b>Total Shareholders' Equity</b>	<b>43,195,666</b>	<b>42,808,792</b>
<b>Total liabilities and Shareholders' Equity</b>	<b>255,120,071</b>	<b>244,936,341</b>

Approved for issue by the Board of Directors on 30th July, 2021 and signed on its behalf by:

Chairman

Director

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended December 31, 2020 (Expressed in Eastern Caribbean dollars)

	2020 \$	2019 \$
<b>Interest income</b>		
Income from loans and advances	13,286,650	12,176,176
Income from deposits with other banks and investments	535,929	934,395
	13,822,579	13,110,571
<b>Interest expense</b>		
Time deposits	2,149,842	1,983,028
Chequing	67,089	55,257
Savings	837,564	694,495
	3,054,495	2,732,780
<b>Net interest income</b>	<b>10,768,084</b>	<b>10,377,791</b>
<b>Fee and commission income</b>	<b>3,593,393</b>	<b>4,136,969</b>
<b>Other operating income</b>	<b>764,442</b>	<b>2,961,435</b>
<b>Operating income</b>	<b>15,125,919</b>	<b>17,476,195</b>
<b>Operating expenses</b>		
General and administrative expenses	7,207,772	7,105,864
Employee costs	5,302,394	4,915,488
Depreciation	1,444,950	1,055,213
Provision for loan impairment	665,604	408,335
Directors' fees and expenses	428,083	317,205
	15,048,803	13,802,105
<b>Profit before taxation</b>	<b>77,116</b>	<b>3,674,090</b>
<b>Taxation</b>	<b>309,758</b>	<b>(1,057,695)</b>
<b>Net profit after tax</b>	<b>386,874</b>	<b>2,616,395</b>

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

Year ended December 31, 2020

(Expressed in Eastern Caribbean dollars)

	2020 \$	2019 \$
<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>386,874</b>	<b>2,616,395</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2020

(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, 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>	39,557,385	(218,412)	3,034,611	825,578	(390,370)	42,808,792
Net income for the year	-	-	-	-	386,874	386,874
Transfer to statutory reserve fund	-	-	92,588	-	(92,588)	-
Reserve for loan impairment for regulatory purposes	-	-	-	467,594	(467,594)	-
<b>Balance as at December 31, 2020</b>	<b>39,557,385</b>	<b>(218,412)</b>	<b>3,127,199</b>	<b>1,293,172</b>	<b>(563,678)</b>	<b>43,195,666</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2020

(Expressed in Eastern Caribbean dollars)

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Profit before tax	77,116	3,674,090
<b>Adjustments for:</b>		
Depreciation	1,444,950	1,055,213
Provision for loan impairment	665,604	408,335
Impairment loss on other assets	-	-
Interest income	(13,822,579)	(13,110,571)
Interest expense	3,054,495	2,732,780
<b>Operating losses before changes in operating assets and liabilities</b>	<b>(8,580,414)</b>	<b>(5,240,153)</b>
Change in restricted deposits	(481,000)	(731,000)
Change in loans and advances, net of repayments	(14,216,449)	(18,402,714)
Change in other assets	(2,173,344)	(228,175)
Change in financial assets at fair value through profit and loss	(787)	(815)
Change in customers' deposits	10,761,201	14,145,845
Change in other liabilities and accrued expenses	(1,557,090)	3,307,049
<b>Cash used in operations</b>	<b>(16,247,883)</b>	<b>(7,149,963)</b>
Interest paid	(2,469,462)	(3,677,575)
Interest received	12,646,682	13,061,007
<b>Net cash (used in)/ generated from operating activity</b>	<b>(6,070,663)</b>	<b>2,233,469</b>
<b>Cash flows from investing activities</b>		
Redemption of treasury bills	36,108	358,862
Purchase of financial assets at amortized cost	(32,400,000)	(16,200,000)
Redemption of financial assets at amortized cost	48,600,000	21,600,000
Acquisition and recognition of property and equipment	(569,970)	(7,500,098)
<b>Net cash generated from/ (used in) investing activities</b>	<b>15,666,138</b>	<b>(1,741,236)</b>
<b>Increase in cash and cash equivalents</b>	<b>9,595,475</b>	<b>492,233</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>42,333,317</b>	<b>41,841,084</b>
<b>Cash and cash equivalents, end of year</b>	<b>51,928,792</b>	<b>42,333,317</b>

Notes to Summary Consolidated  
Financial Statements  
December 31, 2020  
(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, 2020.

