

Chairman's Report

In 2017 Consolidated Finance Co. Limited ("CFC") produced Operating Income comprising net interest income, net lease rental income, fees and foreign exchange income of \$14.3 million up from \$14.0 million in 2016. Net interest income increased to \$8.4 million up from \$7.7 million, while cost of funding was \$5.1 million down from \$6.5 million versus 2016.

Profit before taxation of \$3.9 million was delivered for the year ended December 31, 2017 and was lower when compared to the \$5.8 million produced in 2016. This was largely due to conservative impairments taken on historical non-performing loans of \$1.3 million, compared to \$0.3 million in 2016, reflecting primarily a decline in values of assets held as collateral given the current economic environment.

Our capital base remained strong at \$52.9 million, deriving the Bank's stable capital adequacy ratio which was 23% on par with 2016 and well above the regulatory requirement of 8%, reflecting the strength of our business.

We wish to thank Mr. Sa Gomes (former Chairman and past Director) for his leadership and invaluable contribution while on the Board and wish him success in his future endeavours. I was deeply honoured to accept the appointment as Chairman of the Board in June 2017, having served on this Board since 2010 and as a Director of Ansa Merchant Bank Ltd, (the new Parent Company of CFC) since 2007.

We welcomed Mrs. Mary Mahabir to the Board as a non-Executive Director in November 2016.

In 2018 we opened a new Corporate Sales Office at Regus, One Welches, St. Thomas from which we will service our corporate, commercial and foreign exchange customers, as we strive to deepen our footholds in our Community and provide better customer service to our clientele. We sincerely thank all our customers for their loyal support in 2017.

I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the hard work and commitment of the Management and Staff.



Gregory N. Hill
Chairman of the Board of Directors
February 22, 2018



Independent Auditor's Report To the Shareholder of Consolidated Finance Co. Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2017, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of Consolidated Finance Co. Limited ("the Company") for the year ended 31 December 2017.

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

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

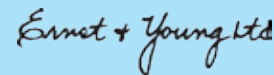
We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 February 2018. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Responsibilities of Management for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRSs and Note 1 to the financial statements.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

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



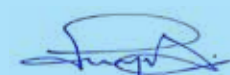
Chartered Accountants
Barbados
February 22, 2018

Summarized Statement of Financial Position

As at December 31, 2017
(Expressed in Barbados Dollars)

	2017 \$	2016 \$
Assets		
Cash and balances with Central Bank	30,210,782	42,581,594
Loans and other receivables	124,696,385	130,050,610
Investment securities	20,528,990	13,116,800
Due from fellow subsidiaries	1,597	298
Inventories	402,136	452,745
Property and equipment	3,975,462	1,957,448
Leased assets	41,084,254	44,027,099
Deferred tax asset	403,065	345,878
Employee benefit asset	2,298,253	2,114,253
Total assets	223,600,924	234,646,725
Liabilities		
Accounts payable and accrued liabilities	8,516,341	8,020,932
Due to fellow subsidiaries	417,435	87,158
Customers' deposits and accrued interest	153,876,595	165,305,961
Corporation tax payable	726,513	382,605
Deferred tax liability	6,897,195	7,191,244
Employee benefit liability	234,725	189,000
Total liabilities	170,668,804	181,176,900
Shareholder's equity		
Stated capital	10,000,000	10,000,000
Reserves	10,431,555	10,877,359
Retained earnings	32,500,565	32,592,466
Total shareholder's equity	52,932,120	53,469,825
Total liabilities and shareholder's equity	223,600,924	234,646,725

Approved by the Board of Directors on February 22, 2018 and signed on its behalf by:



G.N. Hill



R.K. Phillips

Summarized Statement of Comprehensive Income

Year ended December 31, 2017 (Expressed in Barbados Dollars)	2017 \$	2016 \$
Income		
Interest income from loans	11,801,058	12,295,775
Interest income from investments	1,739,658	1,989,749
Total interest income	13,540,716	14,285,524
Finance costs	(5,101,635)	(6,539,182)
Net interest income	8,439,081	7,746,342
Net lease rental income	4,027,581	4,398,485
Other income	1,822,642	1,855,928
Net interest and other income	14,289,304	14,000,755
General and administrative expenses	(8,800,353)	(7,940,779)
Income before impairment losses on loans and taxation	5,488,951	6,059,976
Impairment losses on loans	(1,568,375)	(277,505)
Income before taxation	3,920,576	5,782,471
Tax charge	(1,012,477)	(1,456,340)
Net income for the year	2,908,099	4,326,131
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:		
Revaluation of land and buildings	(401,760)	-
Re-measurement loss on post retirement plans	(44,044)	(43,500)
Other comprehensive loss for the year, net of tax	(445,804)	(43,500)
Total comprehensive income for the year, net of tax	2,462,295	4,282,631

Summarized Statement of Cash Flows

Year ended December 31, 2017 (Expressed in Barbados Dollars)	2017 \$	2016 \$
Cash flows from operating activities		
Income before taxation	3,920,576	5,782,471
Adjustments for:		
Impairment losses on loans	1,568,375	277,505
Reversal of impairment on investments	-	(307,163)
Reversal impairment on inventory	(36,835)	(127,776)
Depreciation	10,408,474	10,650,613
Interest income from investments	(1,739,658)	(1,989,749)
Gain on disposal of property, equipment and leased assets	(1,561,523)	(1,723,914)
Employee benefits	(197,000)	(181,000)
Changes in operating assets and liabilities	12,362,409	12,380,987
Decrease in loans and other receivables	3,785,850	2,382,744
Increase in cash reserves held at Central Bank	(140,850)	(111)
Decrease in inventories	87,444	297,071
(Increase) decrease in due from parent and fellow subsidiaries	(1,299)	10,591,830
Increase in accounts payable and accrued liabilities	495,409	1,003,425
increase (decrease) in due to fellow subsidiaries	330,277	(65,647)
Decrease in customers' deposits and accrued interest	(11,429,366)	(12,185,065)
Net cash from operating activities	5,489,874	14,405,234
Interest income received from investments	1,319,277	2,088,310
Dividends paid	(3,000,000)	-
Corporation tax paid	(1,673,249)	-
Corporation tax refund	741,360	-
Withholding tax paid	(73,235)	(180,639)
Net cash from operating activities	2,804,027	16,312,905
Net cash flows used in investing activities		
Purchase of property, equipment and leased assets	(14,558,121)	(17,178,477)
Proceeds from disposal of property, equipment and leased assets	6,234,242	7,518,670
Purchase of investments	(7,000,000)	(387,255)
Proceeds from disposal / maturities of investments	8,191	11,080,701
Net cash (used in) from investing activities	(15,315,688)	1,033,639
Net (decrease) increase in cash and cash equivalents	(12,511,661)	17,346,544
Cash and cash equivalents – beginning of year	35,873,605	18,527,061
Cash and cash equivalents – end of year	23,361,944	35,873,605

Summarized Statement of Changes in Equity

Year ended December 31, 2017

(Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance as at December 31, 2015	10,000,000	10,877,359	28,309,835	49,187,194
Total comprehensive income for the year	-	-	4,282,631	4,282,631
Balance at December 31, 2016	10,000,000	10,877,359	32,592,466	53,469,825
Total comprehensive income for the year	-	(445,804)	2,908,099	2,462,295
Dividends paid	-	-	(3,000,000)	(3,000,000)
Balance at December 31, 2017	10,000,000	10,431,555	32,500,565	52,932,120

Note 1

The summarized financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summarized statement of financial position, summarized statement of income, summarized statement of comprehensive income, summarized statement of changes in equity and summarized statement of cash flows. These summarized financial statements are derived from the audited financial statements of Consolidated Finance Co. Limited for the year ended 31 December 2017 which are prepared in accordance with International Financial Reporting Standards.

Board of Directors

Mr. G. N. Hill, FCCA, MBA - Chairman | Mr. S. R. Edghill | Mr. J. W. Gellineau, FCA | Mrs. M. J. Mahabir, QC | Mr. N. V. Mouttet | Mr. R. K. Phillips

Corporate Secretary - Ms. L. R. McCollin, FCCA, FCA