

Chairman's Report

I begin this statement with a sense of concern around the severe impact on humanity due to the COVID-19 pandemic. We have all watched, cared, suffered and prayed for the survival and quick recovery of those affected, and wish a speedy recovery to all. As we release this statement, we note and commend the proactive measures implemented by the Government of Barbados to protect its citizens. With respect to Consolidated Finance Co. Limited, I note our stable performance in 2019.

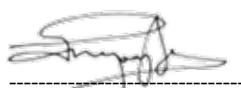
Consolidated Finance Co. Limited ("CFC") earned Operating Income comprising net interest income, net lease rental income, fees and foreign exchange income of \$13.4 million in 2019 which is on par with 2018 despite challenging macroeconomic conditions. Net interest income did decrease by 10% to \$7.0 million down from \$7.7 million in 2018 given the current environment.

Income before taxation improved and was \$2.0 million for the year ended December 31, 2019 compared to a loss of \$4.4 million in 2018. Net income for the year was \$2.0 million and showed improvement compared to \$0.4 million in 2018.

We remain one of the best capitalized operations, as our capital base closed strong at \$53.0 million with a capital adequacy ratio of 30% which is well above the regulatory requirements of 8%. This reflects the strength of our business. Our Parent Company, ANSA Merchant Bank Limited has Total Assets of over USD 1.1 Billion and a capital base of over USD 350 million as at December 31, 2019 and remains a significant player in the region.

In 2019 we deepened our foothold in the community with the launch of our Corporate Sales Office at Regus, One Welches, St. Thomas from which our corporate, commercial and foreign exchange customers are being serviced. We also launched our new core banking platform which will position us to better serve our customers in the future. We sincerely thank all our customers for their continued loyal support.

I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the valuable contributions of our committed Management and Staff.



Gregory N. Hill
Chairman of the Board of Directors
21 April, 2020



INDEPENDENT AUDITOR'S REPORT

Report on the audit of the Summary Financial Statements

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 2019, 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 2019.

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.

Statement of Financial Position

As at December 31, 2019
(Expressed in Barbados Dollars)

Assets

	2019 \$	2018 \$
Cash and balances with Central Bank	38,455,165	16,715,926
Loans and other receivables	117,392,769	124,599,944
Investment securities	11,596,304	12,118,991
Property and equipment	7,059,324	4,419,599
Leased assets	34,415,404	38,075,133
Other assets	5,114,725	2,887,182
Total assets	214,033,691	198,816,775

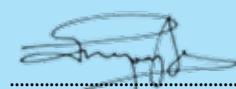
Liabilities

Accounts payable and accrued liabilities	11,922,876	2,984,830
Customers' deposits and accrued interest	143,605,200	143,020,103
Other liabilities	5,371,010	1,831,220
Total liabilities	160,899,086	147,836,153

Shareholder's equity

Stated capital	10,000,000	10,000,000
Reserves	13,019,667	12,495,644
Retained earnings	30,114,938	28,484,978
Total shareholder's equity	53,134,605	50,980,622
Total liabilities and shareholder's equity	214,033,691	198,816,775

Approved by the Board of Directors on March 9, 2020 and signed on its behalf by:



G.N. Hill Director



R.K. Phillips Director

The Audited Financial Statements and Our Report Thereon

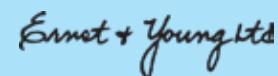
We expressed an unmodified audit opinion on the audited financial statements in our report dated 9 March 2019. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRSs.

Auditor's Responsibilities for the Audit of the Summary Consolidated 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
27 April, 2020

Statement of Comprehensive Income

Year ended December 31, 2019 (Expressed in Barbados Dollars)	2019 \$	2018 \$
Income		
Total interest income	10,480,866	11,507,207
Finance costs	(3,514,430)	(3,763,811)
Net interest income	6,966,436	7,743,396
Net lease rental income	3,615,481	4,067,553
Other income	2,787,781	1,579,855
Net interest and other income	13,369,698	13,390,804
General and administrative expenses	(9,577,404)	(8,671,334)
Income before impairment losses on loans and taxation	3,792,294	4,719,470
Impairment losses on loans and investments	(1,795,636)	(9,157,221)
Income (loss) before taxation	1,996,658	(4,437,751)
Tax credit (charge)	16,471	4,860,187
Net income for the year	2,013,129	422,436
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:		
Re-measurement loss on post retirement plans gain (loss)	140,854	(383,169)
Other comprehensive income (loss) for the year, net of tax	140,854	(383,169)
Total comprehensive income for the year, net of tax	2,153,983	39,267

Statement of Cash Flows

Year ended December 31, 2019 (Expressed in Barbados Dollars)	2019 \$	2018 \$
Net cash used in (from) operating activities	15,341,402	(5,558,876)
Net cash used in investing activities	(9,308,848)	(6,036,232)
Net cash flows used in financing activities	(93,566)	-
Net increase (decrease) in cash and cash equivalents	5,938,988	(11,595,108)
Cash and cash equivalents – beginning of year	11,766,836	23,361,944
Cash and cash equivalents – end of year	17,705,824	11,766,836

Summarized Statement of Changes in Equity

Year ended December 31, 2019

(Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance as at December 31, 2017	10,000,000	10,431,555	32,500,565	52,932,120
Impact of adopting IFRS9	-	-	(1,990,765)	(1,990,765)
Restated balance at January 01, 2018	10,000,000	10,431,555	30,509,800	50,941,355
Total comprehensive income for the year	-	(383,169)	422,436	39,267
Transfer from retained earnings to reserves	-	2,447,258	(2,447,258)	-
Balance at December 31, 2018	10,000,000	12,495,644	28,484,978	50,980,622
Total comprehensive income for the year	-	140,854	2,013,129	2,153,983
Transfer from retained earnings to reserves	-	383,169	(383,169)	-
Balance at December 31, 2019	10,000,000	13,019,667	30,114,938	53,134,605

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 2019 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