



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
 EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

The accompanying summary financial statements, which comprise the summary statement of financial position as at September 30, 2012, and the summary statements of comprehensive income, cash flows and changes in equity for the year then ended and related note is derived from the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited** for year ended September 30, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated January 30, 2013. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

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

Management's Responsibility for the Summary of Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the summary 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 financial statements derived from the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited** for the year ended September 30, 2012 are consistent, in all material respects, with those financial statements.

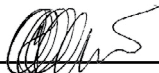

Chartered Accountants
 February 4, 2013
 St. John's, Antigua

SUMMARY STATEMENT OF FINANCIAL POSITION

as of September 30, 2012
 (expressed in Eastern Caribbean dollars)

	2012 \$	2011 \$
ASSETS		
Cash and balances with the Central Bank	38,042,946	30,791,133
Due from banks and other financial institutions	27,775,263	15,381,370
Investment securities	86,828,735	47,015,994
Loans and advances to customers	309,080,108	313,134,293
Other assets	3,448,821	1,085,388
Property, plant and equipment	18,405,144	6,129,277
Intangible assets	3,652,363	4,342,876
TOTAL ASSETS	487,233,380	417,880,331
LIABILITIES		
Customers' deposits	396,256,342	344,325,956
Other liabilities and accrued expenses	4,262,737	2,937,749
Borrowings	11,728,696	-
TOTAL LIABILITIES	412,247,775	347,263,705
EQUITY		
Preference shares	47,869,339	47,869,339
Common shares	24,000,000	24,000,000
Other reserves	4,781,499	2,643,705
Accumulated deficit	(1,665,233)	(3,896,418)
TOTAL EQUITY	74,985,605	70,616,626
TOTAL LIABILITIES AND EQUITY	487,233,380	417,880,331

Approved by the Board of Directors on February 4, 2013

Director  Director 

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2012
 (expressed in Eastern Caribbean dollars)

	2012 \$	For the period from October 18, 2010 to September 30, 2011 \$
OPERATING INCOME		
Interest income	31,170,091	29,417,045
Interest expense	(13,329,632)	(11,488,308)
Net interest income	17,840,459	17,928,737
Loan impairment charges	(938,672)	(3,651,408)
Net interest income after loan impairment charges	16,901,787	14,277,329
Fee and commission income	6,717,817	5,193,730
Fee and commission expense	(2,490,862)	(2,533,731)
Net fee income	4,226,955	2,659,999
Other (expenses)/income	(3,396)	524,406
NET INTEREST, FEE, COMMISSION AND OTHER INCOME	21,125,346	17,461,734
EXPENSES		
Personnel expenses	8,777,980	7,512,111
General and administrative expenses	6,161,202	7,466,465
Impairment of investment securities	-	2,262,742
Amortization of intangible assets	866,261	778,352
Depreciation of property and equipment	950,924	694,777
TOTAL OPERATING EXPENSES	16,756,367	8,714,447
PROFIT/(LOSS) FOR THE YEAR	4,368,979	(1,252,713)
Other comprehensive income	-	-
COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	4,368,979	(1,252,713)

SUMMARY STATEMENT OF CASH FLOWS

For the year ended September 30, 2012

(expressed in Eastern Caribbean dollars)

	2012 \$	For the period from October 18, 2010 to September 30, 2011 \$
Cash flows from operating activities		
Operating profit for the year	4,368,979	(1,252,713)
Adjustments for items not affecting cash:		
Interest income	(31,170,091)	(29,417,045)
Interest expense	13,329,632	11,488,308
Depreciation	950,924	694,777
Amortization of intangible assets	866,261	778,352
Provision for loan impairment charges	938,672	3,651,408
Loss on disposal of fixed asset	4,010	-
Provision for impairment of investments	-	2,262,742
Other non-cash items	(29,333)	(37,450)
Cash flows used in operating activities	(10,740,946)	(11,831,621)
Net (increase)/decrease in operating assets		
Loans and advances to customers	4,611,340	25,218,870
Mandatory deposits with the Central Bank	(2,217,809)	(9,418,784)
Other assets	(2,363,433)	17,050,929
Restricted deposits	(4,022,326)	1,160,438
Net increase/(decrease) in operating liabilities		
Deposits from customers	52,584,280	53,863,747
Other liabilities and accrued expenses	1,324,988	(1,435,593)
Provisions	-	(3,000,000)
Cash generated from operations	39,176,094	71,607,986
Interest received	29,361,159	27,225,360
Interest paid	(13,983,526)	(10,941,652)
Net cash from operating activities	54,553,727	87,891,694
Cash flows from investing activities		
Purchase of plant and equipment	(13,234,021)	(1,247,698)
Proceeds from disposal of fixed asset	3,220	-
Purchase of investment securities, net of disposals	(16,831,536)	(14,408,078)
Purchase of intangible assets	(175,748)	(519,742)
Net cash used in investing activities	(30,238,085)	(16,175,518)
Cash flows from financing activities		
Short term borrowings	-	(16,600,000)
Proceeds from long term borrowings	12,250,000	-
Repayment of long term borrowings	(521,304)	-
Net cash from (used in) financing activities	11,728,696	(16,600,000)
Net increase in cash and cash equivalents	36,044,338	55,116,176
Exchange gains on cash and cash equivalents	29,333	37,450
Cash and equivalents at beginning of year	59,768,855	4,615,229
Cash and cash equivalents at end of year	95,842,526	59,768,855

SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2012

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Other reserves	Retained earnings	Total
	\$	\$	\$	\$	\$
At commencement date of October 18, 2010	-	24,000,000	-	-	24,000,000
Issuance of preference shares	47,869,339	-	-	-	47,869,339
Net loss and comprehensive loss for the period	-	-	-	(1,252,713)	(1,252,713)
Reserve for loan loss provision	-	-	1,386,784	(1,386,784)	-
Reserve for interest recognised on impaired loans	-	-	1,256,921	(1,256,921)	-
Balance at September 30, 2011	47,869,339	24,000,000	2,643,705	(3,896,418)	70,616,626
Net profit and comprehensive income for the year	-	-	-	4,368,979	4,368,979
Reserve for loan loss provision	-	-	(212,672)	212,672	-
Reserve for interest recognised on impaired loans	-	-	1,417,150	(1,417,150)	-
Statutory reserve	-	-	933,316	(933,316)	-
Balance at September 30, 2012	47,869,339	24,000,000	4,781,499	(1,665,233)	74,985,605

NOTES TO SUMMARY FINANCIAL STATEMENTS

September 30, 2012

1. BASIS OF PREPARATION

These summary financial statements are derived from the audited financial statements of Eastern Caribbean Amalgamated Bank Limited for the year ended September 30, 2012.