

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of
Eastern Caribbean Amalgamated Bank Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as of September 30, 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 the related note, are derived from the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited** for the year ended September 30, 2017.

In our opinion, the accompanying summary 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. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' 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 March 2, 2018. The audited financial statements are included in the 2017 Annual Report.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditors' Responsibility

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
March 2, 2018
St. John's, Antigua

Partners:
Antigua
Charles Walwyn - Managing Partner
Robert Wilkinson
Kathy David

St. Kitts
Jefferson Hunte

Audit • Tax • Advisory
Member of Grant Thornton International Ltd

SUMMARY STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
Assets		
Cash and balances with the Central Bank	64,961,127	94,437,213
Due from banks and other financial institutions	50,350,022	47,962,751
Investment securities	178,313,943	143,733,867
Loans and advances to customers	512,330,159	497,084,474
Other assets	10,518,973	1,636,118
Property, plant and equipment	18,144,642	18,892,994
Intangible assets	1,446,783	2,030,722
Total assets	836,065,649	805,778,139
Liabilities		
Customers' deposits	667,813,695	667,734,849
Other liabilities and accrued expenses	14,926,579	28,185,614
Borrowings	-	1,025,709
Income taxes payable	3,938,424	1,861,447
Deferred tax liability	8,677,074	873,702
Total liabilities	695,355,772	699,681,321
Equity		
Preference shares	47,869,339	47,869,339
Common shares	24,000,000	24,000,000
Revaluation reserve	23,807,142	536,648
Other reserves	13,907,590	10,493,633
Retained earnings	31,125,806	23,197,198
Total equity	140,709,877	106,096,818
Total liabilities and equity	836,065,649	805,778,139

Approved by the Board of Directors on March 2, 2018



Director



Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
Operating income		
Interest income	46,936,538	44,011,290
Interest expense	(10,498,932)	(12,838,522)
Net interest income	36,437,606	31,172,768
Loan impairment charges	(1,534,239)	(1,019,661)
Net interest income after loan impairment charges	34,903,367	30,153,107
Fee and commission income	16,010,809	13,977,144
Fee and commission expense	(6,532,532)	(6,593,976)
Net fee income	9,478,277	7,383,168
Other income	129,489	331,633
Net interest, fee, commission and other income	44,511,133	37,867,908
Operating expenses		
Personnel expenses	14,493,087	12,328,756
General and administrative expenses	9,808,754	8,982,292
Amortization of intangible assets	589,052	555,242
Depreciation of property, plant and equipment	1,297,283	1,374,641
Total operating expenses	26,188,176	23,240,931
Profit for the year before tax	18,322,957	14,626,977
Income tax expense	(3,984,965)	(2,556,266)
Profit for the year after tax	14,337,992	12,070,711
Other comprehensive income		
Unrealised gains on investment securities, net of tax	23,270,494	536,648
Comprehensive income for the year	37,608,486	12,607,359

EASTERN CARIBBEAN AMALGAMATED BANK LIMITED
SUMMARY STATEMENT OF CASH FLOWS
For the year ended September 30, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
Cash flows from operating activities		
Operating profit for the year before tax	18,322,957	14,626,977
Adjustments for items not affecting cash:		
Interest income	(46,936,538)	(44,011,290)
Interest expense	10,498,932	12,838,522
Depreciation	1,297,283	1,374,641
Loss on disposal of property and equipment	9,944	–
Amortization of intangible assets	589,052	555,242
Provision for loan impairment charges	1,534,239	1,019,661
Other non-cash items	42,968	(120,225)
Cash flows used in operating activities	(14,641,163)	(13,716,472)
Net decrease/(increase) in operating assets		
Loans and advances to customers	(13,844,439)	33,678,843
Mandatory deposits with the Central Bank	447,573	(16,426,315)
Other assets	(8,882,855)	(401,418)
Restricted deposits	1,744,171	(6,748,624)
Net increase/(decrease) in operating liabilities		
Deposits from customers	1,211,277	27,508,414
Other liabilities and accrued expenses	(13,259,035)	20,959,262
Cash (used in)/generated from operations	(47,224,471)	44,853,690
Income tax paid	(1,861,447)	–
Interest received	43,751,873	44,065,507
Interest paid	(11,631,363)	(13,127,973)
Net cash (used in)/generated from operating activities	(16,965,408)	75,791,224
Cash flows from investing activities		
Purchase of plant and equipment	(579,129)	(861,273)
Proceeds from disposal of plant and equipment	20,250	–
Purchase of investment securities	(52,345,293)	(21,318,362)
Disposal of investment securities	47,957,268	14,306,340
Purchase of intangible assets	(5,113)	(709,089)
Acquisition of net assets in business combination net of cash acquired	–	18,984,781
Net cash (used in)/generated from investing activities	(4,952,017)	10,402,397
Cash flows from financing activities		
Dividends paid to shareholders	(2,995,427)	–
Repayment of borrowings	(1,025,709)	(21,521,938)
Net cash used in financing activities	(4,021,136)	(21,521,938)
Net (decrease)/increase in cash and cash equivalents	(25,938,561)	64,671,683
Exchange gains on cash and cash equivalents	(42,968)	120,225
Cash and cash equivalents at beginning of year	126,066,549	61,274,641
Cash and cash equivalents at end of year	100,085,020	126,066,549

SUMMARY STATEMENT OF CHANGES IN EQUITY
For the year ended September 30, 2017

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Revaluation reserve	Other reserves	Retained earnings	Total
	\$	\$		\$	\$	\$
Balance as of September 30, 2015	47,869,339	24,000,000	–	8,471,841	13,148,279	93,489,459
Comprehensive income for the year	–	–	536,648	–	12,070,711	12,607,359
Reserve for loan loss provision	–	–	–	246,067	(246,067)	–
Reserve for interest recognised on impaired loans	–	–	–	(638,417)	638,417	–
Statutory reserve	–	–	–	2,414,142	(2,414,142)	–
Balance as of September 30, 2016	47,869,339	24,000,000	536,648	10,493,633	23,197,198	106,096,818
Profit for the year	–	–	–	–	14,337,992	14,337,992
Other comprehensive income for the year	–	–	23,270,494	–	–	23,270,494
	–	–	23,270,494	–	14,337,992	37,608,486
Total comprehensive income for the year						
Reserve for loan loss provision	–	–	–	(76,807)	76,807	–
Reserve for interest recognised on impaired loans	–	–	–	623,167	(623,167)	–
Statutory reserve	–	–	–	2,867,597	(2,867,597)	–
Transactions with owners						
Dividends paid	–	–	–	–	(2,995,427)	(2,995,427)
Balance as of September 30, 2017	47,869,339	24,000,000	23,807,142	13,907,590	31,125,806	140,709,877

NOTES TO SUMMARY FINANCIAL STATEMENTS
September 30, 2017

(expressed in Eastern Caribbean dollars)

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, 2017.