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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, 2018, 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, 2018.

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 December 27, 2018. The audited financial statements are included in the 2018 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
December 27, 2018

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

St. Kitts
Jefferson Hunte

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EASTERN CARIBBEAN AMALGAMATED BANK

SUMMARY STATEMENT OF FINANCIAL POSITION

As of September 30, 2018

(expressed in Eastern Caribbean dollars)

	2018 $	2017 $
Assets		
Cash and balances with the Central Bank	**128,007,350**	64,961,127
Due from banks and other financial institutions	**99,361,144**	50,350,022
Investment securities	**201,451,518**	178,313,943
Loans and advances to customers	**529,822,732**	512,330,159
Other assets	**2,398,877**	10,518,973
Property, plant and equipment	**18,323,032**	18,144,642
Intangible assets	**1,360,369**	1,446,783
Total assets	**980,725,022**	836,065,649
Liabilities		
Customers' deposits	**784,212,268**	667,813,695
Other liabilities and accrued expenses	**10,210,715**	14,926,579
Income taxes payable	**4,276,348**	3,938,424
Deferred tax liability	**13,779,258**	8,677,074
Total liabilities	**812,478,589**	695,355,772
Equity		
Preference shares	**47,869,339**	47,869,339
Common shares	**24,000,000**	24,000,000
Revaluation reserve	**39,369,503**	23,807,142
Other reserves	**16,927,413**	13,907,590
Retained earnings	**40,080,178**	31,125,806
Total equity	**168,246,433**	140,709,877
Total liabilities and equity	**980,725,022**	836,065,649

Approved by the Board of Directors on December 27, 2018

Director Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2018

(expressed in Eastern Caribbean dollars)

	2018 $	2017 $
Operating income		
Interest income	**46,930,160**	46,936,538
Interest expense	**(10,512,038)**	(10,498,932)
Net interest income	**36,418,122**	36,437,606
Loan impairment charges	**(2,000,004)**	(1,534,239)
Net interest income after loan impairment charges	**34,418,118**	34,903,367
Fee and commission income	**18,291,816**	16,010,809
Fee and commission expense	**(6,884,188)**	(6,532,532)
Net fee income	**11,407,628**	9,478,277
Other income	**176,543**	129,489
Net interest, fee, commission and other income	**46,002,289**	44,511,133
Operating expenses		
Personnel expenses	**14,124,118**	14,493,087
General and administrative expenses	**10,935,873**	9,808,754
Amortization of intangible assets	**469,469**	589,052
Depreciation of property, plant and equipment	**1,312,129**	1,297,283
Total operating expenses	**26,841,589**	26,188,176
Profit for the year before tax	**19,160,700**	18,322,957
Income tax expense	**(4,191,078)**	(3,984,965)
Profit for the year after tax	**14,969,622**	14,337,992
Other comprehensive income		
Unrealised gains on investment securities, net of tax	**15,562,361**	23,270,494
Comprehensive income for the year	**30,531,983**	37,608,486

EASTERN CARIBBEAN AMALGAMATED BANK LIMITED
SUMMARY STATEMENT OF CASH FLOWS
For the year ended September 30, 2018

(expressed in Eastern Caribbean dollars)

	2018	2017
	$	$
Cash flows from operating activities		
Operating profit for the year before tax	**19,160,700**	18,322,957
Adjustments for items not affecting cash:		
Interest income	**(46,930,160)**	(46,936,538)
Interest expense	**10,512,038**	10,498,932
Depreciation	**1,312,129**	1,297,283
(Gain)/Loss on disposal of property and equipment	**(950)**	9,944
Amortization of intangible assets	**469,469**	589,052
Provision for loan impairment charges	**2,000,004**	1,534,239
Other non-cash items	**(41,817)**	42,968
Cash flows used in operating activities	**(13,518,587)**	(14,641,163)
Net decrease/(increase) in operating assets		
Loans and advances to customers	**(22,847,409)**	(13,844,439)
Mandatory deposits with the Central Bank	**(10,336,758)**	447,573
Other assets	**8,120,096**	(8,882,855)
Restricted deposits	**6,907,967**	1,744,171
Net increase/(decrease) in operating liabilities		
Deposits from customers	**116,472,325**	1,211,277
Other liabilities and accrued expenses	**(4,715,864)**	(13,259,035)
Cash generated from/(used in) operations	**80,081,770**	(47,224,471)
Income tax paid	**(3,938,424)**	(1,861,447)
Interest received	**50,386,382**	43,751,873
Interest paid	**(10,585,790)**	(11,631,363)
Net cash generated from/(used in) operating activities	**115,943,938**	(16,965,408)
Cash flows from investing activities		
Purchase of plant and equipment	**(1,500,969)**	(579,129)
Proceeds from disposal of plant and equipment	**11,400**	20,250
Purchase of investment securities	**(22,050,084)**	(52,345,293)
Disposal of investment securities	**19,656,661**	47,957,268
Purchase of intangible assets	**(383,055)**	(5,113)
Net cash used in investing activities	**(4,266,047)**	(4,952,017)
Cash flows from financing activities		
Dividends paid to shareholders	**(2,995,427)**	(2,995,427)
Repayment of borrowings	–	(1,025,709)
Net cash used in financing activities	**(2,995,427)**	(4,021,136)
Net increase/(decrease) in cash and cash equivalents	**108,682,464**	(25,938,561)
Exchange losses/(gains) on cash and cash equivalents	**41,817**	(42,968)
Cash and cash equivalents at beginning of year	**100,085,020**	126,066,549
Cash and cash equivalents at end of year	**208,809,301**	100,085,020

SUMMARY STATEMENT OF CHANGES IN EQUITY
For the year ended September 30, 2018

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Revaluation reserve	Other reserves	Retained earnings	Total
	$	$	$	$	$	$
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
Total comprehensive income for the year	–	–	23,270,494	–	14,337,992	37,608,486
Reserve for loan loss provision	–	–	–	(76,807)	76,807	–
Reserve for interest recognised on impaired loans	–	–	–	623,167	(623,167)	–
Statutory reserve transfer	–	–	–	2,867,597	(2,867,597)	–
Transactions with owners						
Dividend 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
Profit for the year	–	–	–	–	14,969,622	14,969,622
Other comprehensive income for the year	–	–	15,562,361	–	–	15,562,361
Total comprehensive income for the year	–	–	15,562,361	–	14,969,622	30,531,983
Reserve for loan loss provision	–	–	–	(310,837)	310,837	–
Reserve for interest recognised on impaired loans	–	–	–	283,465	(283,465)	–
Statutory reserve transfer	–	–	–	3,047,195	(3,047,195)	–
Transactions with owners						
Dividends paid	–	–	–	–	(2,995,427)	(2,995,427)
Balance as of September 30, 2018	**47,869,339**	**24,000,000**	**39,369,503**	**16,927,413**	**40,080,178**	**168,246,433**

NOTES TO SUMMARY FINANCIAL STATEMENTS
September 30, 2018

(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, 2018.