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INDEPENDENT AUDITORS' REPORT

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TO THE SHAREHOLDERS OF

EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

The accompanying summary financial statements, which comprise the summary statement of financial position as of September 30, 2013, 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, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated January 27, 2014. 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, 2013 are consistent, in all material respects, with those financial statements.

Chartered Accountants
January 28, 2014
St. John's, Antigua

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

St. Kitts
Jefferson Hunte

Audit • Tax • Advisory
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SUMMARY STATEMENT OF FINANCIAL POSITION
as of September 30, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
ASSETS		
Cash and balances with the Central Bank	38,718,263	38,042,946
Due from banks and other financial institutions	14,091,475	27,775,263
Investment securities	121,650,251	86,828,735
Loans and advances to customers	309,770,300	309,080,108
Other assets	1,124,852	3,448,821
Property, plant and equipment	18,118,523	18,405,144
Intangible assets	3,002,365	3,652,363
TOTAL ASSETS	506,476,029	487,233,380
LIABILITIES		
Customers' deposits	416,380,799	396,256,342
Other liabilities and accrued expenses	4,052,756	4,262,737
Borrowings	5,549,928	11,728,696
TOTAL LIABILITIES	425,983,483	412,247,775
EQUITY		
Preference shares	47,869,339	47,869,339
Common shares	24,000,000	24,000,000
Other reserves	5,983,572	4,781,499
Retained earnings/(deficit)	2,639,635	(1,665,233)
TOTAL EQUITY	80,492,546	74,985,605
TOTAL LIABILITIES AND EQUITY	506,476,029	487,233,380

Approved by the Board of Directors on January 27, 2014



Director



Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
OPERATING INCOME		
Interest income	31,720,748	31,170,091
Interest expense	(13,740,135)	(13,329,632)
Net interest income	17,980,613	17,840,459
Loan impairment charges	(945,928)	(938,672)
Net interest income after loan impairment charges	17,034,685	16,901,787
Fee and commission income	7,821,463	6,717,817
Fee and commission expense	(2,981,608)	(2,490,862)
Net fee income	4,839,855	4,226,955
Other income/(expenses)	16,770	(3,396)
NET INTEREST, FEE, COMMISSION AND OTHER INCOME	21,891,310	21,125,346
EXPENSES		
Personnel expenses	8,602,227	8,777,980
General and administrative expenses	5,762,796	6,161,202
Amortization of intangible assets	857,598	866,261
Depreciation of property, plant and equipment	1,161,748	950,924
TOTAL OPERATING EXPENSES	16,384,369	16,756,367
PROFIT FOR THE YEAR	5,506,941	4,368,979
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE YEAR	5,506,941	4,368,979

EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

SUMMARY STATEMENT OF CASH FLOWS

For the year ended September 30, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
Cash flows from operating activities		
Operating profit for the year	5,506,941	4,368,979
Adjustments for items not affecting cash:		
Interest income	(31,720,748)	(31,170,091)
Interest expense	13,740,135	13,329,632
Depreciation	1,161,748	950,924
Amortization of intangible assets	857,598	866,261
Provision for loan impairment charges	945,928	938,672
Loss on disposal of fixed asset	-	4,010
Provision for impairment of other assets	17,820	-
Other non-cash items	1,815	(29,333)
Cash flows used in operating activities	(9,488,763)	(10,740,946)
Net (increase)/decrease in operating assets		
Loans and advances to customers	(936,820)	4,611,340
Mandatory deposits with the Central Bank	(2,251,320)	(2,217,809)
Other assets	2,306,149	(2,363,433)
Restricted deposits	(500,000)	(4,022,326)
Net increase/(decrease) in operating liabilities		
Deposits from customers	19,274,711	52,584,280
Other liabilities and accrued expenses	(209,981)	1,324,988
Cash generated from operations	8,193,976	39,176,094
Interest received	30,457,512	29,361,159
Interest paid	(12,890,389)	(13,983,526)
Net cash from operating activities	25,761,099	54,553,727
Cash flows from investing activities		
Purchase of plant and equipment	(875,127)	(13,234,021)
Proceeds from disposal of fixed asset	-	3,220
Purchase of investment securities, net of disposals	(19,905,972)	(16,831,536)
Purchase of intangible assets	(207,600)	(175,748)
Net cash used in investing activities	(20,988,699)	(30,238,085)
Cash flows from financing activities		
Proceeds from long term borrowings	-	12,250,000
Repayment of long term borrowings	(6,178,768)	(521,304)
Net cash (used in)/from financing activities	(6,178,768)	11,728,696
Net (decrease)/increase in cash and cash equivalents	(1,406,368)	36,044,338
Exchange gains on cash and cash equivalents	(1,815)	29,333
Cash and cash equivalents at beginning of year	95,842,526	59,768,855
Cash and cash equivalents at end of year	94,434,343	95,842,526

SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2013

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Other reserves	Retained earnings	Total
	\$	\$	\$	\$	\$
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	-	-	(212,673)	212,673	-
Reserve for interest recognised on impaired loans	-	-	1,417,151	(1,417,151)	-
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
Net profit and comprehensive income for the year	-	-	-	5,506,941	5,506,941
Reserve for loan loss provision	-	-	(1,035,067)	1,035,067	-
Reserve for interest recognised on impaired loans	-	-	1,071,825	(1,071,825)	-
Statutory reserve	-	-	1,165,315	(1,165,315)	-
Balance at September 30, 2013	47,869,339	24,000,000	5,983,572	2,639,635	80,492,546

NOTES TO SUMMARY FINANCIAL STATEMENTS

September 30, 2013

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, 2013.