

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

 Audit • Tax • Advisory
 Member of Grant Thornton International Ltd

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.