

**INDEPENDENT AUDITORS' REPORT**
**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, 2016, 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 the year ended September 30, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated May 22, 2017.

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**. For a holistic understanding of the Bank's financial position and performance for the year ended September 30, 2016, and of the scope of our audit, the summary financial statements should be read in conjunction with the financial statements and accompanying notes from which the summary financial statements were derived and our audit thereon.

**Management's Responsibility for the Summary 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, 2016 are consistent, in all material respects, with those financial statements.



 Chartered Accountants  
 May 22, 2017  
 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, 2016**
*(expressed in Eastern Caribbean dollars)*

	2016 \$	2015 \$
<b>ASSETS</b>		
Cash and balances with the Central Bank	94,437,213	34,862,361
Due from banks and other financial institutions	47,962,751	13,298,512
Investment securities	143,733,867	120,700,813
Loans and advances to customers	497,084,474	318,197,622
Other assets	1,636,118	1,234,700
Property, plant and equipment	18,892,994	17,186,716
Intangible assets	2,030,722	1,740,600
<b>TOTAL ASSETS</b>	<b>805,778,139</b>	<b>507,221,324</b>
<b>LIABILITIES</b>		
Customers' deposits	667,734,849	405,808,591
Other liabilities and accrued expenses	28,185,614	5,267,568
Borrowings	1,025,709	2,655,706
Income taxes Payable	1,861,447	-
Deferred tax Liability	873,702	-
<b>TOTAL LIABILITIES</b>	<b>699,681,321</b>	<b>413,731,865</b>
<b>EQUITY</b>		
Preference shares	47,869,339	47,869,339
Common shares	24,000,000	24,000,000
Revaluation reserve	536,648	-
Other reserves	10,493,633	8,471,841
Retained earnings	23,197,198	13,148,279
<b>TOTAL EQUITY</b>	<b>106,096,818</b>	<b>93,489,459</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>805,778,139</b>	<b>507,221,324</b>

Approved by the Board of Directors on May 22, 2017

  
 Director

  
 Director

**SUMMARY STATEMENT OF COMPREHENSIVE INCOME**
**For the year ended September 30, 2016**
*(expressed in Eastern Caribbean dollars)*

	2016 \$	2015 \$
<b>OPERATING INCOME</b>		
Interest income	44,011,290	30,729,749
Interest expense	(12,838,522)	(10,577,799)
Net interest income	31,172,768	20,151,950
Loan impairment charges	(1,019,661)	(412,513)
Net interest income after loan impairment charges	30,153,107	19,739,437
Fee and commission income	13,977,144	9,046,323
Fee and commission expense	(6,593,976)	(3,646,160)
Net fee income	7,383,168	5,400,163
Other income	331,633	85,157
<b>NET INTEREST, FEE, COMMISSION AND OTHER INCOME</b>	<b>37,867,908</b>	<b>25,224,757</b>
<b>OPERATING EXPENSES</b>		
Personnel expenses	12,328,756	9,814,399
General and administrative expenses	8,982,292	6,191,695
Amortization of intangible assets	555,242	994,767
Depreciation of property, plant and equipment	1,374,641	1,384,501
<b>TOTAL OPERATING EXPENSES</b>	<b>23,240,931</b>	<b>18,385,362</b>
<b>PROFIT FOR THE YEAR BEFORE TAX</b>	<b>14,626,977</b>	<b>6,839,395</b>
Income tax expense	(2,556,266)	-
<b>PROFIT FOR THE YEAR AFTER TAX</b>	<b>12,070,711</b>	<b>6,839,395</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealised gains on investment securities, net of tax	536,648	-
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>12,607,359</b>	<b>6,839,395</b>

# EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

## SUMMARY STATEMENT OF CASH FLOWS

For the year ended September 30, 2016

(expressed in Eastern Caribbean dollars)

	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Operating profit for the year before tax	14,626,977	6,839,395
Adjustments for items not affecting cash:		
Interest income	(44,011,290)	(30,729,749)
Interest expense	12,838,522	10,577,799
Depreciation	1,374,641	1,384,501
Amortization of intangible assets	555,242	994,767
Provision for loan impairment charges	1,019,661	412,513
Other non-cash items	(120,225)	(69,637)
<b>Cash flows used in operating activities</b>	<b>(13,716,472)</b>	<b>(10,590,411)</b>
<b>Net decrease/(increase) in operating assets</b>		
Loans and advances to customers	33,678,843	(12,868,477)
Mandatory deposits with the Central Bank	(16,426,315)	2,339,647
Other assets	(401,418)	208,427
Restricted deposits	(6,748,624)	681,736
<b>Net increase/(decrease) in operating liabilities</b>		
Deposits from customers	27,508,414	(8,044,028)
Other liabilities and accrued expenses	20,959,262	(2,845,373)
<b>Cash used in operations</b>	<b>44,853,690</b>	<b>(31,118,479)</b>
Interest received	44,065,507	31,180,754
Interest paid	(13,127,973)	(10,884,753)
<b>Net cash generated from/(used in) operating activities</b>	<b>75,791,224</b>	<b>(10,822,478)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(861,273)	(710,011)
Purchase of investment securities	(11,894,944)	(51,018,316)
Disposal of investment securities	14,306,340	34,992,443
Purchase of intangible assets	(709,089)	(324,863)
Acquisition of net assets in business combination net of cash acquired	18,984,781	-
<b>Net cash generated from/(used in) investing activities</b>	<b>19,825,815</b>	<b>(17,060,747)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(21,521,938)	(1,503,658)
<b>Net cash used in financing activities</b>	<b>(21,521,938)</b>	<b>(1,503,658)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>74,095,101</b>	<b>(29,386,883)</b>
<b>Exchange gains on cash and cash equivalents</b>	<b>120,225</b>	<b>69,637</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>61,274,641</b>	<b>90,591,887</b>
<b>Cash and cash equivalents at end of year</b>	<b>135,489,967</b>	<b>61,274,641</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2016

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Revaluation reserve	Other reserves	Retained earnings	Total
	\$	\$		\$	\$	\$
<b>Balance as of September 30, 2014</b>	47,869,339	24,000,000	-	7,369,767	7,410,958	86,650,064
Comprehensive income for the year	-	-	-	-	6,839,395	6,839,395
Reserve for loan loss provision	-	-	-	(340,231)	340,231	-
Reserve for interest recognised on impaired loans	-	-	-	74,426	(74,426)	-
Statutory reserve	-	-	-	1,367,879	(1,367,879)	-
<b>Balance as of September 30, 2015</b>	47,869,339	24,000,000	-	8,471,841	13,148,279	93,489,459
Profit for the year	-	-	-	-	12,070,711	12,070,711
Other comprehensive income for the year	-	-	536,648	-	-	536,648
<b>Total comprehensive income for the year</b>			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)	-
<b>Balance as of September 30, 2016</b>	<b>47,869,339</b>	<b>24,000,000</b>	<b>536,648</b>	<b>10,493,633</b>	<b>23,197,198</b>	<b>106,096,818</b>

## NOTES TO SUMMARY FINANCIAL STATEMENTS

September 30, 2016

(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, 2016.