

# Stronger Together...

RECONNECTING THROUGH  
**COMMUNITY & INNOVATION**



# ANNUAL REPORT 2024



# WHO WE ARE AND WHAT WE DO

- **OUR VISION** is to be your Bank of Choice and Financial Partner for Life.
- **OUR MISSION** is to create Value for our Stakeholders.
- **OUR MANTRA** is to Get it Right the First Time, Every Time.
- **OUR STRATEGIC INTENT** is Operational Efficiency.
- The operations of the Bank have been built on the **CULTURAL PILLARS** of Customer Intimacy, Service Excellence and Employee Engagement. These pillars will distinguish ECAB as the Bank of Choice and Financial Partner for Life.

EASTERN CARIBBEAN ASSOCIATED BANK

## OUR VALUE STATEMENTS

- Honesty and integrity are the overriding guiding principles.  
All employees are regarded as critical to the success of the institution. The proficiency, expertise, knowledge and vision of everyone are highly valued and mutual respect and trust are greatly emphasized.  
All customers are regarded as critical to the success of the institution. Bank staff is therefore very customer-focused, responsive and driven to exceed customers' expectations.  
The reputation of the Bank and the integrity, sincerity and transparency that staff demonstrate every day are held in the highest regard.  
Continuous learning is valued, reinforced by a commitment of the staff to listen to customers and to each other in order to institutionalize the discipline, processes and methodologies that offer the greatest reliability and quality of banking services.



Career Day at ECAB  
for Mr. & Miss Teen Pageant

# *Stronger Together...*

*RECONNECTING  
THROUGH* **COMMUNITY &  
INNOVATION**

**2024** marked a year of alignment between ECAB's purpose and performance. With the integration of Scotiabank's operations, we advanced initiatives that balanced community engagement with business priorities, creating the conditions for long-term growth. Strategic investments in

technology, customer relationships, and talent strengthened our market position while reinforcing shareholder confidence. Guided by discipline and innovation, we continue to build a resilient platform that supports sustained performance and enduring value.

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**THE YEAR IN NUMBERS**

Profit After Tax (FY2024)

**+89.9%**  
Increase in Profit

2024: **\$29.7M**

2023: **\$15.7M**

**2024**

Return on Assets

**2.7%**  
Up from 1.4% (FY2023)

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**CHAIRMAN'S REPORT**

**CRAG J. WALTER - CHAIRMAN**

Dear Shareholders,

On behalf of the Board of Directors, I present the Chairman's Report for the year ended 2024.

In the interim 2024 year as a year of innovation and transformation, a defining feature of the year was the successful completion of the merger with Eastern Caribbean Bank (ECAB) in January 2024. This strategic move has significantly strengthened our financial position and expanded our service offerings across the Eastern Caribbean region.

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**GENERAL MANAGER'S REPORT**

**MICHAEL SPENCER - GENERAL MANAGER**

2024 was a year of alignment between the strategic objectives of the organization and the operational performance of the management team. The year was marked by significant achievements in customer service, operational efficiency, and financial performance. The management team has successfully navigated the challenges of the year, ensuring the organization remains on track to achieve its long-term goals.

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**DIRECTORS' REPORT**

**STRONGER TOGETHER... RECONNECTING THROUGH COMMUNITY AND INNOVATION.**

As a group, the Directors have focused on ensuring the organization's long-term success through strategic planning and operational excellence. The year has been a period of growth and innovation, with the organization successfully implementing key initiatives that have strengthened its position in the market.

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**TECHNOLOGICAL INNOVATION**

**BANKING FOR THE FUTURE**

In the rapidly evolving digital age, the Eastern Caribbean Amalgamated Bank (ECAB) is committed to offering innovative banking solutions while ensuring customer data security. In partnership with our technology partners, we are continuously investing in cutting-edge digital solutions to enhance the customer experience and drive operational efficiency.

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**CORPORATE SOCIAL RESPONSIBILITY**

**THE EASTERN CARIBBEAN AMALGAMATED BANK (ECAB) PLAYS A LEADING ROLE IN COMMUNITY DEVELOPMENT IN THE CARIBBEAN.**

With a strong focus on growth, culture, and innovation, ECAB supports various initiatives, including the "Beats of WestInd" and "Miss Teenage Pageant" and the "Roadside Music Project" and the "2024 Health and Wellness Project". These programs aim to nurture young talent and enhance the health and well-being of the community. ECAB's commitment to social responsibility is reflected in its various initiatives and partnerships that drive positive change in the region.





# » INNOVATION

## INNOVATION IN ACTION

*Innovation remains central to ECAB's commitment to delivering more responsive, efficient, and accessible banking experiences. In 2024, this focus was reflected in advancements such as the introduction of Smart ATMs, which strengthened convenience and expanded the ways customers can bank with ease and confidence.*

**Stronger Together...**  
RECONNECTING THROUGH **COMMUNITY & INNOVATION**

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Fourteenth Annual General Meeting of the Eastern Caribbean Amalgamated Bank Limited will be held on Friday, the 8th day of May, 2026 commencing at 10:00am.

## AGENDA

1. Call to Order
2. Prayers
3. Adoption of Agenda
4. Chairman's Remarks
5. Consider and confirm the Minutes of Thirteenth Annual General Meeting held on July 11, 2025
6. Consider the matters arising from Minutes of Thirteenth Annual General Meeting held on July 11, 2025
7. Presentation of Chairman's Report
8. Presentation of Directors' Report
9. Consider Auditors' Report and Financial Statements for the year ended September 30, 2024
10. Declare a Dividend for the Financial Year ended September 30, 2024
11. Appointment of External Auditors for the year ending September 30, 2025 and September 30, 2026 and authorize the Board to fix their remuneration
12. Election of Directors
13. Transact any other business that may properly be brought before an Annual General Meeting of Shareholders

Dated the 27th day of March, 2026

**BY ORDER OF THE BOARD OF DIRECTORS**



TRACY BENN-ROBERTS  
CORPORATE SECRETARY

*For the year ended September 30, 2024, the Bank recorded profit after tax of \$62.8 million, an increase of \$29.7 million (89.9%) compared with 2023.*



# CHAIRMAN'S REPORT

## CRAIG J. WALTER - CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors, I present this Chairman's Report for the year ended 2024, guided by our theme:

**STRONGER TOGETHER ....  
RECONNECTING  
THROUGH COMMUNITY  
AND INNOVATION.**

This theme reflects how the Bank advanced through a year that required steadiness, clear governance, and stronger connection to the communities we serve.

In one phrase, 2024 was a year of reflection, renewal and restrengthening.

A defining feature of the year was the Bank's commitment to proactive engagement and transparency, particularly as we navigated complexities associated with the Scotiabank acquisition.

By listening attentively to customer concerns and maintaining clarity in our engagement, we reinforced confidence and reaffirmed the Bank's role as a trusted financial partner within the community.

At the same time, we pursued innovation with purpose—innovation that improves relevance and strengthens service. In 2024, this was reflected in the adoption of a bespoke, customer-centric approach, moving beyond conventional practices to deliver solutions aligned to individual needs. This strengthened customer confidence and reinforced the Bank's reputation for reliability and responsiveness in a dynamic environment.

## BOARD OVERSIGHT AND PERFORMANCE

From a Board perspective, our responsibility is to ensure that performance is achieved within a framework of strong governance, disciplined risk management, and prudent stewardship. For the year ended September 30, 2024, the Bank recorded profit after tax of \$62.8 million, an increase of \$29.7 million (89.9%) compared with 2023. Total assets increased to \$2.31 billion, up \$31.8 million (1.4%), supported primarily by growth in loans and advances.

The Board notes management’s reported drivers of performance—higher net interest income, lower impairment charges, and reduced operating costs—within the Bank’s risk and control environment. We also note the reported improvements in credit conditions, including the reduction in non-performing loans below the 5% benchmark.

In addition, the Bank delivered a direct enhancement to shareholder value through the strategic sale of VISA-related investments, realising a \$15.3 million gain.

The Board also maintained its focus on resilience—balancing returns with reinvestment, and ensuring the Bank remains well positioned to absorb shocks, fund growth, and protect stakeholder interests over the long term.

## GOVERNANCE AND ACCOUNTABILITY

In 2024, the Board advanced corporate governance through training, updated compliance protocols, and measures designed to enhance transparency in decision-making. We maintained rigorous oversight through scheduled and ad hoc meetings, ensuring alignment with policies, procedures and regulatory standards. The Board confirms there were no major policy or governance changes adopted during the year.

The Board remains focused on maintaining a strong risk culture, sound internal controls, and disciplined decision-making, recognising that public confidence in a financial institution is inseparable from the strength of its governance.

## RECOGNITION AND THANKS

I extend sincere appreciation to my fellow Directors for their diligence and unwavering commitment to strong governance throughout the year. I also recognise the work of our Board Committees, whose focused oversight strengthens accountability and supports sound decision-making.

To our General Manager and management team, thank you for your leadership and execution during a year that demanded disciplined decision-making and thoughtful stakeholder engagement. To our staff, thank you for your hard work, professionalism, resilience, and service to customers across every touchpoint.

To our customers, we thank you for your continued trust and loyalty. To our regulators, thank you for your guidance and oversight. And to you, our shareholders, thank you for your confidence and steadfast support.

## OUTLOOK

Looking ahead, the Board remains focused on strengthening the Bank’s relevance through partnership and innovation, while maintaining disciplined oversight and remaining anchored in the communities we serve. In doing so, we will continue to monitor the operating environment carefully, with particular attention to credit quality, efficiency, customer experience, and the evolving regional landscape.

Thank you for your continued confidence and support.




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**CRAIG J. WALTER**  
CHAIRMAN

# OUR BOARD OF DIRECTORS

Our **BOARD OF DIRECTORS** plays a crucial role in overseeing and guiding the Bank, encompassing strategic planning, ensuring compliance, and representing shareholder interests, while also managing resources and overseeing management.



**CRAIG WALTER**  
ANTIGUA COMMERCIAL BANK LTD.  
CHAIRMAN



**C. DAVIDSON CHARLES**  
ANTIGUA COMMERCIAL BANK LTD.  
DEPUTY CHAIRMAN



**BENNIE STAPLETON**  
BANK OF ST. VINCENT & THE  
GRENADINES LTD.



**CAROL BODDIE**  
ST. KITTS-NEVIS-ANGUILLA  
NATIONAL BANK LTD.



**ESTHERLITA CUMBERBATCH**  
EAST CARIBBEAN FINANCIAL  
HOLDING COMPANY LTD.



**RASONA DAVIS-CRUMP**  
GOVERNMENT OF ANTIGUA  
AND BARBUDA



**HEZRON SERAPHIN**  
NATIONAL BANK OF  
DOMINICA LTD.

# DIRECTORS' REPORT

## STRONGER TOGETHER... RECONNECTING THROUGH COMMUNITY AND INNOVATION.

Clause 4.2 of our By-Laws provides for a minimum of seven (7) and a maximum of eleven (11) directors. Our Board currently comprises (7) non-executive directors who represent our six (6) shareholders as outlined in the table below.

NAMES OF DIRECTORS	NAMES OF SHAREHOLDERS	NO. OF COMMON SHARES OWNED
RASONA DAVIS-CRUMP	GOVERNMENT OF ANTIGUA AND BARBUDA	60,000
ESTHERLITA CUMBERBATCH	EAST CARIBBEAN FINANCIAL HOLDING COMPANY LTD.	48,000
CAROL BODDIE	ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD.	38,400
CRAIG J. WALTER	ANTIGUA COMMERCIAL BANK LTD.	37,200
C. DAVIDSON CHARLES	ANTIGUA COMMERCIAL BANK LTD.	37,200
HEZRON SERAPHIN	NATIONAL BANK OF DOMINICA LTD.	37,200
BENNIE STAPLETON	BANK OF ST. VINCENT AND THE GRENADINES LTD.	19,200

### BOARD SUB-COMMITTEES

There are four (4) sub-committees that regularly support the Board's function. They are as follows:

- i. Corporate Governance Committee
- ii. Credit Committee
- iii. Audit & Risk Committee
- iv. Human Resource Committee

The sub-committees meet as and when required to provide the necessary oversight and direction, consider the various reports and make recommendations to the Board.



*We strengthened our presence and engagement across the communities we serve, not as a parallel activity, but as an essential expression of who we are and how we grow.*

The composition of the Sub-Committees is shown in the table below:

NAMES OF BOARD SUB-COMMITTEES	NAMES OF SUB-COMMITTEE MEMBERS
CORPORATE GOVERNANCE	DIRECTORS CRAIG WALTER (CHAIRMAN), C. DAVIDSON CHARLES, ESTHERLITA CUMBERBATCH AND CAROL BODDIE
CREDIT	DIRECTORS C. DAVIDSON CHARLES (CHAIRMAN), CRAIG WALTER, RASONA DAVIS-CRUMP, ESTHERLITA CUMBERBATCH, BENNIE STAPLETON, CAROL BODDIE, HEZRON SERAPHIN
AUDIT & RISK	DIRECTORS RASONA DAVIS-CRUMP (CHAIRMAN) CAROL BODDIE, ESTHERLITA CUMBERBATCH AND HEZRON SERAPHIN
HUMAN RESOURCE	DIRECTORS C. DAVIDSON CHARLES (CHAIRMAN), RASONA DAVIS-CRUMP, CAROL BODDIE AND BENNIE STAPLETON

### **THE CHAIRMAN AND DEPUTY CHAIRMAN OF THE BOARD**

Clause 11 of the By-Laws provides that the directors shall, as often as may be required, appoint a Chairman and a Deputy Chairman. The By-Laws also provide that the Chairman shall, when present, "preside at all meetings of the directors and any committee of the directors or the shareholders." Similarly, if the Chairman is absent or is unable or refuses to act, the Deputy Chairman shall, when present, "preside at all meetings of the directors and any committee of the directors or the shareholders."

During the financial year ended September 30, 2024, Director Craig Walter held the office of Chairman and Director C. Davidson Charles held the office of Deputy Chairman.

### **BOARD OF DIRECTORS' TRAINING**

It is mandatory for Directors to participate in continued training and education. During the period, the Directors received Security Awareness Training: Directors Duties, New Technology and Data Governance training: AML/CFT/CFP training and Information Security Training.

### **BOARD OF DIRECTORS' CONFLICT OF INTEREST POLICY**

The Board is keen to ensure that all members uphold their fiduciary duties and maintain a high level of transparency and compliance. Thus, a Conflict of Interest Policy ('the Policy') which sets out the framework for the avoidance of 'potential, actual or perceived conflicts of interest' by Directors was implemented. Such conflicts may be of a personal, group, financial or professional affiliation nature and related to matters brought before the Board for consideration. In such instances, the Policy requires a Director to make a full and frank declaration of any conflicts of interest as soon as the Director becomes aware of it. A Director with a conflict must be recused from the meeting during deliberation on the matter unless the Board determines that the highlighted conflict is immaterial and will not negatively impact the decision-making. A recused director would subsequently be informed of the Board's decision.

### **DIRECTORS' REMUNERATION**

Directors' remuneration is generally determined by industry standards and the financial position of the Bank. The Board of Directors generally considers and recommends annually to the Shareholders, whether or not the level of remuneration for the Board of Directors should be adjusted. Directors are also entitled to travel, accommodation and other expenses reasonably incurred in the performance of their duties and responsibilities.

## BOARD MEETINGS AND ATTENDANCE

During the financial year ended September 30, 2024, there were twelve (12) meetings of the Board of Directors. The following table records the attendance of the Directors:

DIRECTORS (IN ORDER OF TENURE)	NAMES OF SHAREHOLDERS		PERCENTAGE
	REQUIRED	ACTUAL	
CRAIG WALTER	12	12	100%
*RASONA DAVIS-CRUMP	12	11	92%
C. DAVIDSON CHARLES	12	12	100%
ESTHERLITA CUMBERBATCH	12	10	83%
BENNIE STAPLETON	12	11	92%
CAROL BODDIE	12	12	100%
HEZRON SERAPHIN	12	10	83%
*VERE HILL	1	1	100%

*NB. Director Rasona Davis-Crump who joined the Board of Directors on April 1, 2014 retired from the Board of Directors effective July 31, 2024. We sincerely thank former Director Rasona Davis-Crump for her ten plus years of invaluable service to ECAB. Director Vere Hill replaced Past Director Davis-Crump effective September 2024.*

## DIRECTORS' TENURE

Clause 4.4 of the By-Laws of ECAB provide as follows:

"Unless his tenure is sooner determined, a director shall hold office from the date from which he is elected or appointed until the close of the annual meeting of the shareholders next following but shall be eligible for re-election if qualified."

Pursuant to the aforementioned clause, Craig Walter, C. Davidson Charles, Estherlita Cumberbatch, Bennie Stapleton, Hezron Seraphin, Carol Boddie and Vere Hill are eligible for re-election for the financial year starting October 1, 2024.

## VOTING BY SHAREHOLDERS

Clause 12.6 of the By-Laws of ECAB specify that shareholders shall vote at the election "in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot."

Accordingly, each shareholder or proxy holder or individual authorized to represent a shareholder is entitled to one vote at every meeting at which he is entitled to vote. (Clause 12.6.1 of the By-Laws of ECAB).

## DIVIDEND

Clause 15 of our By-Laws states that the Directors may from time to time by resolution declare and the Company may pay dividends on the issued and outstanding shares of the capital of the Company.

For the financial year ended September 30, 2024, the Board of Directors recommends the payment of dividends of 3.5% of par value to the preferred shareholders on record as of September 30, 2024 amounting to \$1,675,427 and a dividend of \$45.35 for each unit of common share to shareholders on record as of September 30, 2024 amounting to \$10,884,000.

## EXTERNAL AUDITORS

The External Auditors, Grant Thornton, retired at the financial year ended September 30, 2024 but are not eligible for re-appointment. The Board of Directors recommends the appointment of Deloitte Barbados for the financial year ending September 30, 2025.



**TRACY BENN-ROBERTS**  
CORPORATE SECRETARY



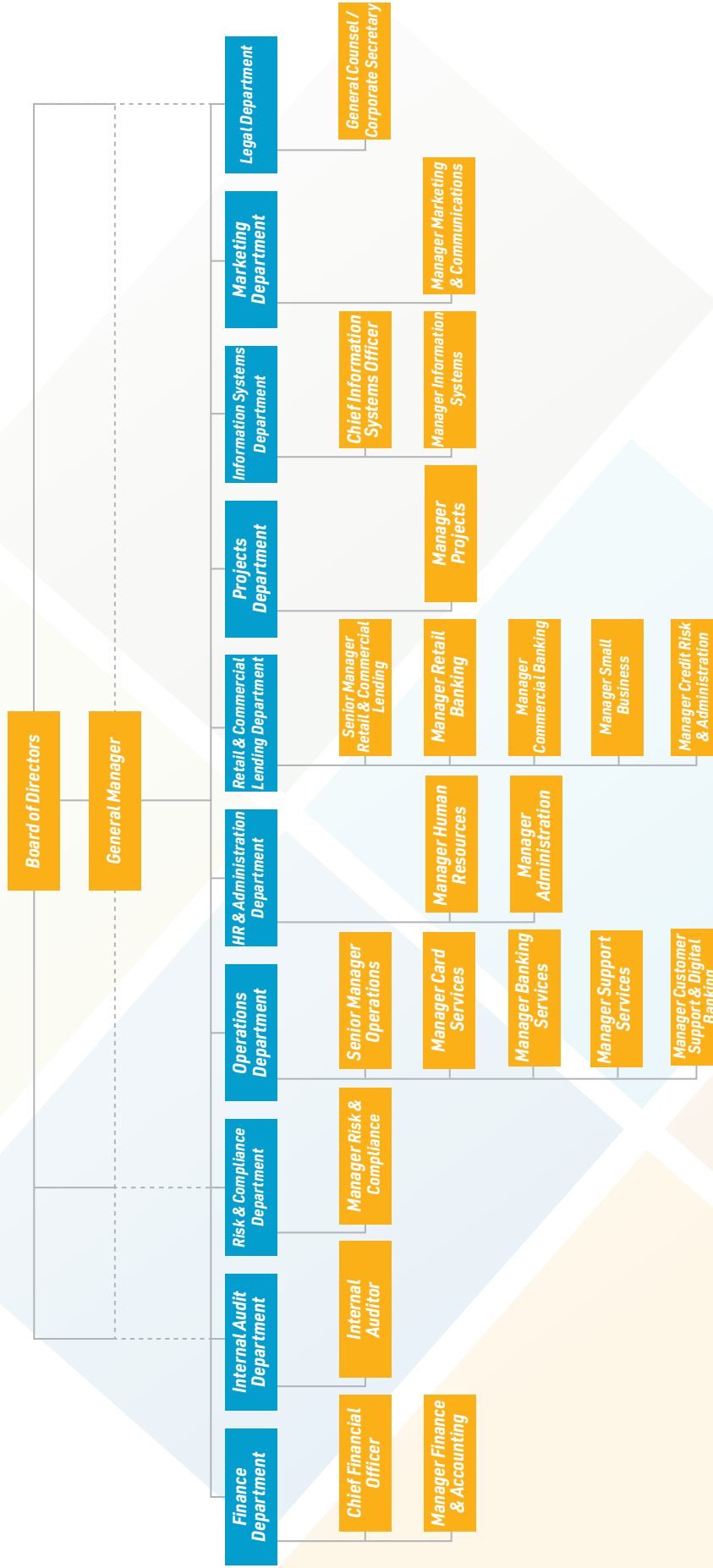
# COMMUNITY ENGAGEMENT

## EMPOWERING COMMUNITIES, INSPIRING YOUTH

*ECAB's community engagement efforts are rooted in the belief that meaningful progress begins with people. Through initiatives that support youth development and community upliftment, the Bank continues to invest in the next generation while helping to foster stronger, more resilient communities.*

**Stronger Together ...**  
 RECONNECTING THROUGH **COMMUNITY & INNOVATION**

# ORGANIZATIONAL STRUCTURE



**Key**

- Department
- Executive Management & Management

# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS OVERVIEW

Fiscal 2024 was a year defined by resilience, collaboration, and purposeful progress. Guided by our theme, *"Stronger Together .... Reconnecting Through Community and Innovation"*, ECAB strengthened the bonds with our customers, employees, and communities while advancing innovative solutions to meet an evolving financial landscape. Through disciplined stewardship, customer-centric innovation, and a renewed focus on community engagement, the Bank navigated economic challenges with confidence and emerged more connected, more agile, and better positioned to support sustainable growth. Our 2024 Annual Report reflects our commitment to building shared value, fostering trust, and delivering long-term stability for all stakeholders.

## ECONOMIC AND BUSINESS ENVIRONMENT

Real economic output in Antigua and Barbuda according to the International Monetary Fund, (IMF) is estimated to have expanded by 4.3 percent in 2024 led by strong tourism and one-off events to include the 4th International Conference on Small Island Developing States and the T20 Cricket World Cup compared to an estimated growth of 3.9 percent for 2023. The IMF noted that global growth is expected to remain stable at 3.2 percent. According to the ECCB monetary statistics, liquid assets to total assets in Antigua and Barbuda increased from 42.4 percent at September 2023 to 44.9 percent at September 2024. Loans and advances increased from \$2.97 billion at September 2023 to \$3.25 billion at September 2024, while customer deposits increased from \$4.67 billion at September 2023 to \$4.96 billion at September 2024. The non-performing loans ratio decreased to 4.1 percent at September 2024 from 6.3 percent at September 2023; falling within the ECCB benchmark of 5 percent. Regulatory capital to risk-weighted assets (CAR) dropped

*Our 2024 Annual Report reflects our commitment to building shared value, fostering trust, and delivering long-term stability for all stakeholders.*

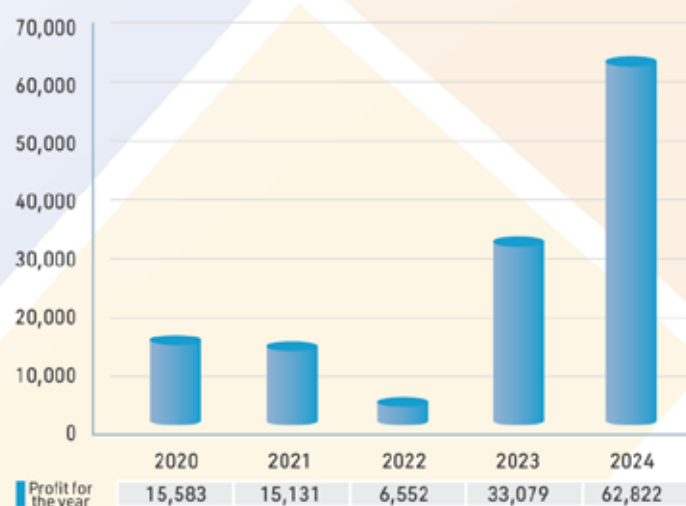
from 24.2 percent at September 2023 to 18.1 percent at September 2024. The average interest rate spread decreased to 5.6 percent at September 2024 from 5.8 percent at September 2023.

## PERFORMANCE HIGHLIGHTS

For the year ended September 30, 2024, the Bank recorded profit after tax of \$62.8 million; an increase of \$29.7 million or 89.9 percent over the 2023 result of \$33.1 million. The increase was largely influenced by an increase in net interest income of \$7.5 million coupled with decreases in impairment charges by \$7.8 million, general and administrative expenses by \$8.1 million, taxation charge by \$8.7 million net a reduction of \$2.6 million in other income.

As at September 30, 2024, total assets increased by \$31.8 million or 1.4 percent to \$2.31 billion from \$2.28 billion recorded at September 30, 2023. This was driven by an increase in loans and advances of \$72.2 million net reduction of \$46.3 million in cash and balances with other financial institutions.

## PROFIT FOR THE YEAR



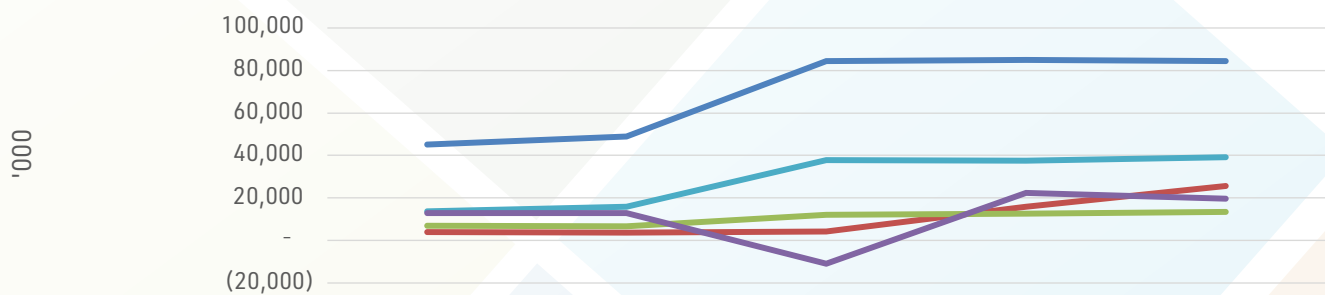
## HIGHLIGHTS OF FINANCIAL OPERATIONS

(IN THOUSANDS OF DOLLARS)

FOR THE YEAR	2024	2023	2022	2021	2020
INTEREST INCOME	109,903	100,835	88,756	52,404	49,192
INTEREST EXPENSE	24,808	23,268	22,231	12,270	11,302
LOAN IMPAIRMENT CHARGES	5,802	13,602	6,498	9,870	11,946
NET FEE INCOME	25,636	25,813	24,969	13,106	13,207
OPERATING EXPENSES	57,371	65,909	64,852	35,090	29,632
PROFIT FOR THE YEAR	62,822	33,079	6,552	15,131	15,583
YIELD ON INTEREST EARNING ASSETS	6.2%	6.5%	6.4%	5.8%	6.0%
COST OF FUNDS	1.3%	1.1%	1.2%	1.3%	1.4%
SPREAD	4.9%	5.4%	5.2%	4.5%	4.6%
EFFICIENCY RATIO	46.0%	58.8%	72.8%	62.4%	56.9%

AT YEAR END	2024	2023	2022	2021	2020
LOANS & ADVANCES	1,144,456	1,072,257	1,085,890	1,127,362	570,894
INVESTMENTS	628,677	626,242	364,963	261,284	261,481
TOTAL ASSETS	2,307,142	2,275,331	2,343,085	2,110,442	1,070,451
TOTAL DEPOSITS	1,930,918	1,971,743	2,081,560	1,837,582	851,579
TOTAL SHAREHOLDERS' EQUITY	292,659	231,693	201,579	195,385	182,864
RETURN ON ASSETS	2.7%	1.4%	0.3%	1.0%	1.5%
RETURN ON EQUITY	24.0%	15.3%	3.3%	8.0%	8.8%
CAPITAL ADEQUACY RATIO	23%	21%	17%	16%	43%

## SOURCES OF INCOME

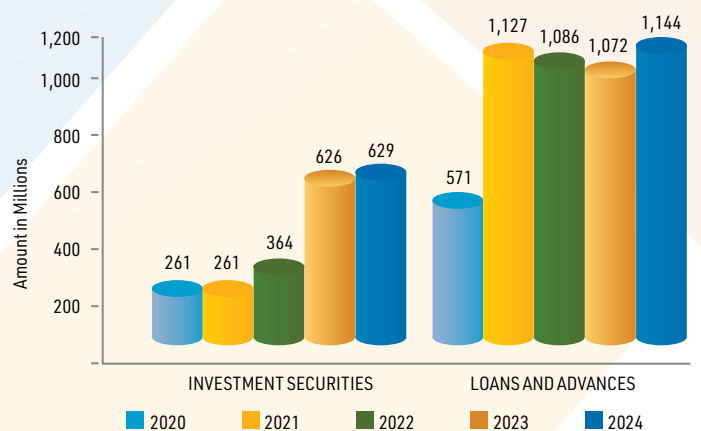


	2020	2021	2022	2023	2024
LOANS & ADVANCES	45,182	48,822	84,396	84,996	84,283
INVESTMENTS	4,010	3,582	4,360	15,839	25,620
FOREIGN EXCHANGE	6,921	6,577	12,163	12,727	13,366
FEES & COMMISSIONS	13,640	15,859	37,701	37,475	39,133
OTHER INCOME / (LOSS), NET	12,928	12,819	(10,872)	22,380	19,689

## INTEREST INCOME

Interest income increased by \$9.1 million, or 9.0 percent to \$109.9 million from the prior year's value of \$100.8 million. This was attributed primarily to \$9.8 million earned on investment securities as roll-overs and new term deposits on the international market were at improved rates. Yields from interest earning assets dropped to 6.2% from 6.5 percent for the previous fiscal.

## INTEREST EARNING ASSETS



## INTEREST EXPENSE

Interest expense increased by \$1.5 million, or 6.6 percent, which was attributed mainly to interest paid on savings accounts. The cost of funds ratio increased to 1.3 percent as at September 30, 2024 from 1.1 percent for the previous fiscal due to a significant decrease in non-interest bearing demand accounts. Funding costs continued to be closely monitored.

## IMPAIRMENT CHARGES

Impairment charges for 2024 were \$5.8 million compared to \$13.6 million the previous fiscal. The decrease of \$7.8 million was mainly attributed to reduction in expected credit loss (ECL) provision of \$6.3 million for certain assets acquired from Scotiabank and \$1.6 million for investment securities. The non-performing loans ratio decreased to 3.9 percent at September 30, 2024 from 5.4 percent at September 30, 2023; lower than the ECCB benchmark of 5 percent.

## NET FEE INCOME

Net fee income remained relatively flat at \$25.6 million for 2024 compared to \$25.8 million for 2023, a decrease of \$0.2 million or 0.7 percent. Fee income increased by \$2.3 million driven by increases of \$1.2 million in credit card fees, \$0.6 million in foreign exchange gains and \$0.5 million in service charge. Fee expense increased by \$2.5 million, attributed primarily to an increase of \$2.1 million in credit card expenses.

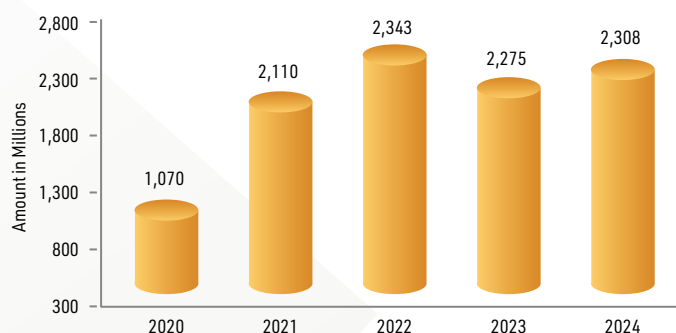
## OTHER INCOME

Other income of \$19.7 million for the current year compared to \$22.4 million for the prior year was driven by realized gain of \$15.3 million from the sale of FVTPL investments compared to realized gains of \$1.4 million and unrealized gains of \$16.0 million for the prior year.

## OPERATING EXPENSES

Operating expenses decreased by \$8.5 million or 13.0 percent to \$57.4 million for 2024 from \$65.9 million for 2023. This was driven primarily by a decrease of \$8.1 million or 28.2 percent in general and administrative expenses attributed to a reduction of \$8.9 million in professional fees following the migration from Scotiabank's systems early in 2023. This contributed to improvement in the efficiency ratio which was 46.0 percent at September 30, 2024 compared to 58.8 percent for the prior year.

## TOTAL ASSETS



## ASSETS

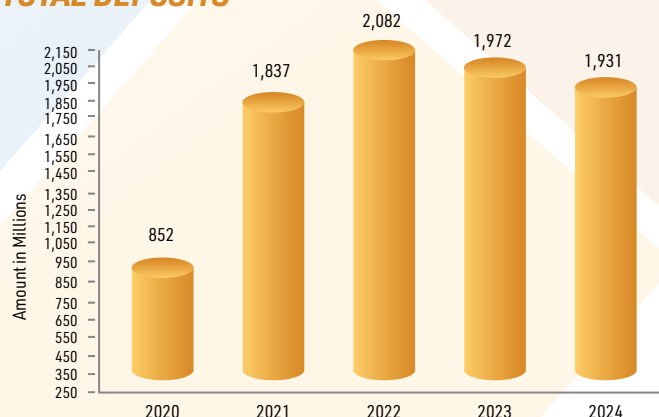
Total assets increased by \$31.8 million to \$2.31 billion as at September 30, 2024 from \$2.28 billion the previous year. The increase was reflected mainly in loans and advances by \$72.2 million, cash and balances with the Central Bank by \$17.7 million and deferred tax assets by \$12.7 million moderated by reductions in due from banks and other financial institutions by \$64.0 million and other assets by \$4.1 million.

The net increase of \$72.2 million in loans and advances was driven by an increase of \$95.6 million in Stage 1 loans net decreases of \$21.3 million in Stage 3 loans and \$1.9 million in Stage 2 loans. The loans to deposit ratio increased to 63.1 percent at September 30, 2024 from 58.1 percent for the previous fiscal.

## CUSTOMER DEPOSITS

Customer deposits decreased by \$40.8 million or 2.1 percent to \$1.9 billion at September 30, 2024 from \$2.0 billion at the previous year end. Demand accounts decreased by \$91.6 million moderated by increases of \$35.2 million in savings deposits and \$15.1 million in time deposits. During the fiscal year certain transient demand deposits held by customers for specific projects/purposes were withdrawn for the intended purposes.

## TOTAL DEPOSITS



## **LIQUIDITY AND REGULATORY CAPITAL MANAGEMENT**

The Bank maintained a strong liquidity position throughout the year. Its capital adequacy ratio of 23 percent as at September 30, 2024, up from 21 percent for the previous year, is indicative of the Bank's financial resilience.

## **REGULATORY ENVIRONMENT**

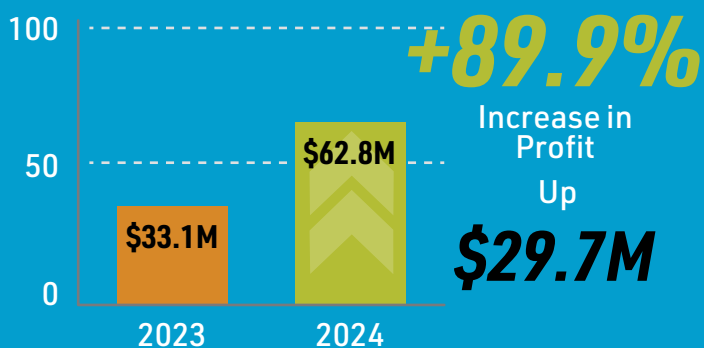
The Bank continued to comply with all regulatory requirements, including capital adequacy, anti-money laundering (AML), and Know Your Customer (KYC) regulations.

As we look ahead, we remain confident in our ability to build on the momentum of 2024 by deepening relationships, accelerating innovation, and expanding our impact across the communities we serve. Guided by our commitment to being **"Stronger Together,"** we will continue to invest in digital transformation, enhance customer experiences, and foster inclusive growth through meaningful community partnerships. While the operating environment may evolve, our focus remains clear – delivering sustainable value, maintaining financial strength, and creating opportunities that empower our customers and stakeholders to thrive. Together, we are well positioned to shape a more connected, resilient, and innovative future.

# THE YEAR IN NUMBERS

# 2024

## Profit After Tax (FY2024)



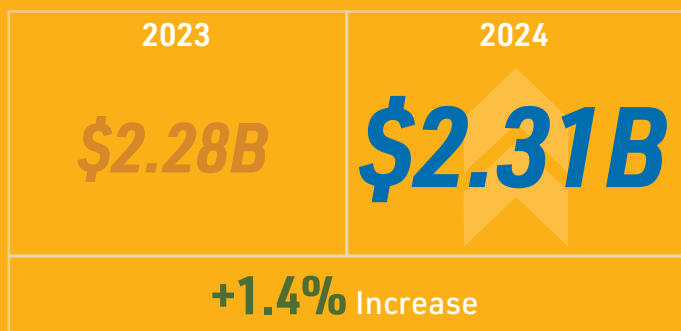
## Return on Assets



**2.7%**

Up from  
**1.4%**  
(FY2023)

## Total Assets (as at Sept 30, 2024)



## Return on Equity



**24.0%**

Up from  
**15.3%**  
(FY2023)

## Efficiency Ratio

**46.0%**

Improved from  
**58.8%**  
(FY2023)

## Capital Adequacy Ratio



**23%**

Up from  
**21%**  
(FY2023)



# » BUSINESS

## **SUPPORTING ENTERPRISE, ENABLING GROWTH**

*ECAB remains committed to building strong relationships with the business community by providing support that is practical, responsive, and growth-oriented. Through tailored financial solutions and a deep understanding of business needs, the Bank continues to empower enterprises to grow, thrive, and contribute to economic development.*

**Stronger Together...**  
RECONNECTING  
THROUGH **COMMUNITY &  
INNOVATION**

*We strengthened our presence and engagement across the communities we serve, not as a parallel activity, but as an essential expression of who we are and how we grow.*



# GENERAL MANAGER'S REPORT

## MICHAEL SPENCER - GENERAL MANAGER

### 2024 was a year of alignment between ECAB's purpose and its performance.

Following the integration of Scotiabank's operations, the Bank advanced with focus and discipline, strengthening the platform required for sustained growth and enduring value. Management concentrated on building stability, deepening customer confidence, and reinforcing the operational capabilities that support consistent service delivery. The result was a year defined by progress that was practical, measured, and clearly connected to long term performance.

At the core of our work was a deliberate effort to reconnect. We strengthened our presence and engagement across the communities we serve, not as a parallel activity, but as an essential expression of who we are and how we grow.

We continued to support community initiatives and meaningful local partnerships, reinforcing the Bank's role as a responsible corporate citizen and a committed national institution. This engagement was accompanied by a stronger focus on listening, improving our feedback channels, and strengthening our ability to respond to customer needs with clarity and consistency.

ECAB also advanced its market position through priorities that strengthened business performance and supported shareholder confidence. We sharpened our approach to relationship banking by strengthening client engagement, reinforcing front line support, and improving service responsiveness. In parallel, we maintained a strong focus on growth areas that matter most to households and enterprises.



**Mortgage offerings** and support for small and medium sized businesses remained central to our business priorities, supported by practical partnerships that strengthened funding capacity and widened access to credit for entrepreneurs and commercial clients.

***Technology investments continued to reinforce our operational base and customer experience.***

During the year, we strengthened digital banking capability and improved the reliability of customer channels, while also deepening our commitment to cybersecurity and fraud risk management. These investments reflect a clear view of modern banking.

***Innovation must strengthen trust, improve customer access, and protect the integrity of the institution.***

Our work in this area was guided by governance and compliance, ensuring that progress in digital capability is matched by strength in controls, resilience, and regulatory alignment.

**Operational discipline** remained a defining feature of management’s approach. We applied careful cost oversight and strengthened internal processes to improve efficiency and performance. The Bank continued to refine execution through structured monitoring of expenditure, tighter operational coordination, and ongoing focus on better workflow outcomes. This disciplined operating posture supports sustainability, strengthens earnings capacity, and improves the Bank’s ability to deliver quality service at scale.

***Our people remained central to every result achieved in 2024.***



**We invested** in training and capability development to support improved service delivery, stronger compliance, and effective adoption of technology enhancements. We also strengthened internal engagement, reinforcing clarity of direction, alignment of teams, and a culture grounded in accountability, ethical conduct, and customer focus. The Bank’s progress is inseparable from the commitment and professionalism of our employees, and management remains focused on ensuring that our culture continues to support performance.

**Looking ahead**, our agenda is clear and anchored in execution. In 2025, we will complete the updated three year strategic plan, deepen process mapping and operational refinement, and embed more structured employee recognition aligned to performance. These priorities are designed to strengthen service quality, improve operational consistency, and reinforce a high performance culture while supporting disciplined growth and expanding relationship banking outcomes.

## ***2024 reinforced the value of moving forward together.***

It demonstrated that community connection and innovation are not competing ideas, but complementary forces that strengthen trust, reinforce relevance, and support sustainable performance. ECAB will continue to build a resilient institution that delivers value through sound governance, prudent risk management, strengthened customer relationships, and disciplined execution.

On behalf of the Board, management, and staff, I thank our customers for their trust, our employees for their dedication, and our shareholders for their continued confidence. We remain committed to building an institution that is stronger together and positioned to deliver enduring value.



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**MICHAEL SPENCER**  
GENERAL MANAGER

# OUR EXECUTIVE MANAGEMENT

Our **EXECUTIVE MANAGEMENT** team oversees the Banks developmental, strategic and financial decisions and is responsible for the smooth operation of functions within their departments.



**MICHAEL SPENCER**  
GENERAL MANAGER



**TRACY BENN-ROBERTS**  
GENERAL COUNSEL/  
CORPORATE SECRETARY



**DONNA CORT**  
CHIEF FINANCIAL OFFICER



**SONYA ROBERTS-CARTER**  
SENIOR MANAGER  
OPERATIONS



**SOPHIE THOMAS-DURAND**  
CHIEF INFORMATION SYSTEMS  
OFFICER



**PETER QUINN**  
INTERNAL AUDITOR



**ADRIAN MCLEAN**  
SENIOR MANAGER - RETAIL  
AND COMMERCIAL LENDING

# OUR MANAGEMENT TEAM



**V. ALICIA GARDNER**  
MANAGER  
COMMERCIAL BANKING



**JAMIL EDWARDS-SPENCER**  
MANAGER  
PROJECTS



**CAROL MARTIN**  
MANAGER  
CARD SERVICES



**K. MICHELE MARSHALL**  
MANAGER  
MARKETING & COMMUNICATIONS



**SHARON WILLIAMS-POTTER**  
MANAGER  
SMALL BUSINESS BANKING



**LORRAINE PERRY**  
MANAGER  
BANKING SERVICES



**CAROLYN WALTER**  
MANAGER  
ADMINISTRATION



**DEBRA WILLIAMS**  
MANAGER  
RISK & COMPLIANCE



**HYASIS MULLIN**  
MANAGER  
FINANCE & ACCOUNTING



**KEVIN JOSEPH**  
MANAGER  
INFORMATION SYSTEMS



**GARFIELD NELSON**  
MANAGER  
RETAIL BANKING



**MORLON CHARLES**  
MANAGER  
SUPPORT SERVICES



**JANICE BENJAMIN**  
MANAGER  
CREDIT RISK & ADMINISTRATION



**STOSH BROWNE**  
MANAGER  
CUSTOMER SUPPORT & DIGITAL BANKING

Our **MANAGEMENT** team creates guidelines, goals, checkpoints, and objectives for employees to improve productivity while also providing support and motivation.

# CORPORATE SOCIAL RESPONSIBILITY

Our future, Our bank



**COMMITTED TO COMMUNITY  
DEVELOPMENT IN ANTIGUA AND  
BARBUDA**

***The Eastern Caribbean Amalgamated Bank (ECAB) plays a significant role in community development in Antigua and Barbuda, with a strong focus on youth, culture, and education. ECAB supports various initiatives, including the "Taste of Wadadli Junior Chef Cook-Off," the 2024 Mr. & Miss Teenage Pageant, and the Wadadli Music Project. These programs aim to nurture young talent and enhance the islands' cultural and tourism offerings. ECAB's commitment extends to health initiatives and international events, reflecting its dedication to the nation's overall development and sustainable future.***



*The Eastern Caribbean Amalgamated Bank (ECAB) recognizes its important role as a corporate citizen in Antigua and Barbuda. We're dedicated to giving back to our community, focusing on youth, education, healthcare improvement, culture and overall island development.*

ECAB proudly sponsored the first **"Taste of Wadadli Junior Chef Cook-Off Competition"** organized by the Antigua & Barbuda Hotels and Tourism Association. This event, open to secondary and tertiary students across the island, showcased the culinary skills of 18 students.



It offered a platform for these budding chefs to reimagine local dishes for an international audience. It supports tourism, a key economic driver, while encouraging young people to turn their passions and creativity into viable career paths that enhance Antigua and Barbuda's tourism offerings. ECAB donated the main prize of \$10,000, which went to the winning school to upgrade their Home Economics facilities. We saw great value in supporting this initiative, as it paves the way for youth interested in culinary careers.

This year, ECAB sponsored the **2024 Mr. & Miss Teenage Pageant**, a highlight of Antigua & Barbuda's Carnival. The pageant featured 13 contestants aged 14 to 18 from 8 schools across both islands. Participants competed in various categories, including interviews and talent showcases, with one male and one female crowned as winners.

At ECAB, we believe youth, culture, and education are crucial for social change, aligning perfectly with this event. Our \$100,000 sponsorship ensured a high-quality pageant that maximized benefits for all involved. Beyond being a carnival event, the pageant plays a vital role in developing the character of young people, poise, talent, and positive public image, inspiring future contestants. To further support the contestants, ECAB hosted a **Career Day** at its Coolidge Head Office and Redcliffe Street Branch. This unique opportunity allowed participants to explore various banking career paths.



Our General Manager kicked off the event with motivational words, followed by presentations from IT, Support Services, and HR departments. In a fun and engaging setting, each presenter discussed their department's functions and required skills. Contestants also received practical advice on work preparation, interview attire, and standing out as job candidates.

Continuing our youth development efforts, ECAB was the main sponsor of the **Wadadli Music Project**, contributing \$10,000 to this enriching music camp. Led by skilled professional musicians and instructors from Toronto and Antigua, the program aims to educate and mentor children. It teaches music theory, practice, and the value of music education, opening students' eyes to potential careers in music.



The camp offered intensive music workshops and master classes for both teachers and students, covering steel pan, drums, keyboard, percussion, guitar, and voice instruction for various ages and skill levels. The event concluded with impressive vocal and musical performances by children, local tutors, and overseas instructors on the grounds of the historic Weatherill Estate Hotel. ECAB's partnership with the Wadadli Music Project embraces musical development in children, helping them recognize their potential. At ECAB, we're committed to nurturing, guiding, and supporting our youth throughout their musical journey.

Our ongoing support for culture, health, and social growth is evident in various donations. We've partnered with several organizations to boost health in our nation. For instance, we sponsored "A Night of Stachel" an elegant jazz event under the stars. This evening featured local and international musicians, the proceeds going to St. John's Hospice and an elderly person's home. We've also donated wheelchairs to the Heart and Stroke Foundation, among other initiatives.

In May, Antigua & Barbuda hosted the **Small Island Developing States (SIDS) Conference**. This event brought together 39 independent states, 18 UN Associate Members, and global leaders to discuss pressing issues like climate change, COVID-19's impact, and debt crises. ECAB proudly joined forces with the The Office of the Governor General to welcome delegates at a reception held at Government House.

***We felt it crucial to back this international event as its focus on sustainable futures aligns with our own green energy promotions launched this year.***

We recognize the need to support cultural events that showcase local talent and benefit important causes. Our involvement in health-related initiatives demonstrates our commitment to community well-being. By backing international conferences and promoting sustainable practices, we're investing in our islands' future. ECAB strives to be more than just a bank – we aim to be a driving force in Antigua and Barbuda's progress across all sectors.

***Antigua and Barbuda, our twin-island home, faces many challenges. At ECAB, we understand that our role extends beyond banking services. We're committed to advancing our nation in various ways, helping it shine as one of the Caribbean's true gems.***

# STRENGTHENING PARTNERSHIPS

Our future, Our bank



## RECONNECTING WITH OUR CUSTOMERS

*As part of ECAB's ongoing efforts to customer relationships, the Bank hosted an exclusive client engagement event during the 2024 ICC T20 World Cup Series. This initiative provided an opportunity for Executive Management and senior leaders to connect personally with valued clients in a relaxed, engaging setting, reinforcing ECAB's commitment to partnership, appreciation, and long-term relationship building.*



*As our focus for 2024 remains on reconnecting with community, ECAB also focused on strengthening relationships with our customers. ECAB continues to seek meaningful opportunities to connect more deeply with them. Our aim is to reaffirm our commitment to partnering with clients in achieving their personal and business goals, while fostering a sense of appreciation and loyalty.*

In alignment with this objective, ECAB hosted an exclusive customer engagement event during the highly anticipated 2024 ICC T20 World Cup Series, held under the theme **"Out of this World"**. The month-long tournament, which took place from June 1st to 29th, featured 20 international teams competing across the USA and the Caribbean, including eight matches at the Sir Vivian Richards Stadium in Antigua.



Cricket, deeply embedded in our culture, has long been a unifying force that brings communities together. Recognizing its power to connect people across backgrounds, ECAB leveraged this global event as a unique platform to renew and strengthen relationships with key customer segments.

Over two match days, 60 valued clients including, high net-worth individuals, commercial banking clients, top loan customers, small business and prospective partners were hosted in ECAB's private, air-conditioned suite at the stadium. The experience offered exclusivity, comfort, and personalized engagement, with guests enjoying premium seating, gourmet dining, and a selection

of beverages while networking with ECAB's Executive Management and senior team members. Each attendee received a specially curated ECAB-branded **"Thank You"** package as a token of appreciation.

***This initiative not only deepened client relationships but also enhanced brand perception and differentiation through genuine connection and hospitality.***

It provided an avenue for meaningful conversation, relationship-building, and increased visibility of the Bank's team and services. By creating memorable experiences, ECAB continues to strengthen customer loyalty and reaffirm its position as a trusted partner committed to long-term growth and shared success.



# TECHNOLOGICAL INNOVATION

Our future, Our bank



## BANKING FOR THE FUTURE

***In the rapidly evolving digital age, the Eastern Caribbean Amalgamated Bank (ECAB) is committed to offering innovative banking solutions while ensuring customer data security. In 2024, ECAB introduced significant upgrades to its online, mobile, and ATM platforms. Key features include the MOREBanking Debit PIN feature, which allows customers to set and change their PINs remotely, and the Download Receipts feature for easy payment confirmations. Additionally, ECAB's Smart ATMs offer contactless transactions, remote maintenance, and enhanced deposit capabilities. These advancements position ECAB as a forward-thinking bank, providing customers with secure, efficient, and convenient banking options.***



*In today's fast-paced world, where technology enables tasks and information access with just a few taps, the Caribbean must keep up. We need to offer cutting-edge services and products to our customers in this digitally connected era.*

ECAB has always prioritized the security of our customers' banking data while creating new ways for them to bank. This year, we've made well-received upgrades to our **online, mobile, and ATM platforms**, staying true to our mission.

We believe it's crucial to let people bank on their schedule and access their financial information for various life needs. In 2024, ECAB launched key **MOREBanking** features to make this possible. Our new **Debit PIN** feature saves time and offers personalization. It allows debit card holders to set their unique PIN when they get their card and change it through MOREBanking anytime. This means no more bank visits for PIN changes, giving customers 24/7 convenience. This highly anticipated upgrade now lets customers change both credit and debit PINs on the go.



Online and mobile banking's beauty lies in its ability to make payments locally and internationally. Often, payers want to send payment confirmations to recipients. Our Download Receipts feature does just that. It gives customers and their payees peace of mind with downloadable, shareable receipts for proof of payment or record-keeping.

As businesses become more global, with owners and partners often traveling or based in different countries, our Multi-signature feature has made life easier. It eliminates the need for physical signatures to approve account payments, transfers, and wires via MOREBanking.

These customer-focused upgrades offer greater access, freedom, and control. They allow customers to think beyond traditional banking with ECAB, positioning us as a bank that goes wherever you go.

Another major tech upgrade was the rollout of ECAB's **Smart ATMs**. These additions to our network show our commitment to world-class security and customer satisfaction. Our Smart ATMs offer contactless features, remote maintenance, and personalized service using modern technology. Customers can deposit up to 30 bills or 15 checks in one transaction without envelopes. They can make deposits in both US and EC currencies.



To help customers understand these new ATM features, we launched a comprehensive awareness campaign. This included ongoing radio interviews, press and radio ads, and frequent email and social media tips on using the machines. We provided in-branch help from our Branch Ambassadors, clear ATM signage and detailed help videos. These videos were available on our website, social media, and local TV for three months. This marketing effort led to a successful launch with minimal customer issues. The Smart ATM rollout expanded ECAB's network to **seventeen ATMs**, the largest on the island.

ECAB's investment in increased security, customization, and user-friendly features aligns our bank with future banking trends. We aim to provide our customers with secure, efficient, and satisfying banking channels.

Our future, Our bank



EASTERN CARIBBEAN AMALGAMATED BANK

# FINANCIAL STATEMENTS

## SEPTEMBER 30, 2024

(Expressed In Eastern Caribbean Dollars)



## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Eastern Caribbean Amalgamated Bank Limited

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**Grant Thornton**  
11 Old Parham Road  
P.O. Box 1531  
St. John's, Antigua  
West Indies  
T +1 268 462 3000  
F +1 268 462 1902

### *Opinion*

We have audited the accompanying financial statements of **Eastern Caribbean Amalgamated Bank Limited** (the "Bank") which comprise the statement of financial position as of **September 30, 2024**, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of September 30, 2024, and its financial performance and its statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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#### Audit | Tax | Advisory

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### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Chartered Accountants**  
St. John's, Antigua  
November 27, 2025

# Eastern Caribbean Amalgamated Bank Limited

Statement of Financial Position

As of September 30, 2024



(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
<b>Assets</b>			
Cash and balances with the Central Bank	8	223,515,065	205,860,720
Due from banks and other financial institutions	9	216,629,134	280,597,601
Investment securities	10	628,677,285	626,242,065
Loans and advances to customers	11	1,144,455,927	1,072,256,914
Other assets	12	10,163,539	14,278,426
Property, plant and equipment	13	39,545,896	40,893,381
Right-of-Use asset	31	2,328,022	2,301,282
Deferred tax asset	29	12,664,219	–
Intangible assets	14	29,162,738	32,900,939
<b>Total assets</b>		<b>2,307,141,825</b>	<b>2,275,331,328</b>
<b>Liabilities</b>			
Customers' deposits	15	1,930,917,704	1,971,743,043
Other liabilities and accrued expenses	16	46,861,951	44,368,956
Income taxes payable	29	34,266,782	16,197,064
Lease liability	31	2,436,882	2,431,592
Deferred tax liability	29	–	8,898,161
<b>Total liabilities</b>		<b>2,014,483,319</b>	<b>2,043,638,816</b>
<b>Equity</b>			
Common shares	17	24,000,000	24,000,000
Preference shares	17	47,869,339	47,869,339
Revaluation reserve	19	2,670,542	2,190,935
Other reserves	19	29,100,326	29,100,326
Retained earnings		189,018,299	128,531,912
<b>Total equity</b>		<b>292,658,506</b>	<b>231,692,512</b>
<b>Total liabilities and equity</b>		<b>2,307,141,825</b>	<b>2,275,331,328</b>

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors on November 27, 2025

Director

Director

# Eastern Caribbean Amalgamated Bank Limited

Statement of Comprehensive Income  
For the year ended September 30, 2024



(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
<b>Operating income</b>			
Interest income	23	109,902,899	100,834,808
Interest expense	23	(24,807,793)	(23,268,214)
Net interest income		85,095,106	77,566,594
Impairment charges	28	(5,802,340)	(13,602,384)
<b>Net interest income after impairment charges</b>		<b>79,292,766</b>	<b>63,964,210</b>
Fee and commission income	24	52,499,169	50,202,207
Fee and commission expense	24	(26,863,558)	(24,388,970)
<b>Net fee income</b>		<b>25,635,611</b>	<b>25,813,237</b>
Other income, net	25	19,688,690	22,380,355
<b>Net interest, fee, commission and other income</b>		<b>124,617,067</b>	<b>112,157,802</b>
<b>Operating expenses</b>			
Personnel expenses	26	28,864,411	29,051,359
General and administrative expenses	27	20,661,005	28,780,654
Depreciation of property, plant and equipment	13	2,679,566	2,607,508
Depreciation of right-of-use asset	31	1,245,448	1,245,552
Amortisation of intangible assets	14	3,921,062	4,224,359
<b>Total operating expenses</b>		<b>57,371,492</b>	<b>65,909,432</b>
<b>Profit for the year before tax</b>		<b>67,245,575</b>	<b>46,248,370</b>
<b>Taxation</b>			
Current tax expense		(26,146,010)	(8,102,760)
Deferred tax credit/(expense)		21,722,249	(5,067,019)
<b>Total taxation charge</b>	29	<b>(4,423,761)</b>	<b>(13,169,779)</b>
<b>Profit for the year after tax</b>		<b>62,821,814</b>	<b>33,078,591</b>
<b>Other comprehensive income</b>			
Unrealised gains on investment securities, net of tax	19	479,607	630,343
<b>Comprehensive income for the year</b>		<b>63,301,421</b>	<b>33,708,934</b>

The accompanying notes are an integral part of these financial statements.

# Eastern Caribbean Amalgamated Bank Limited

## Statement of Cash Flows

For the year ended September 30, 2024



(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Operating profit for the year before tax		67,245,575	46,248,370
Adjustments for items not affecting cash:			
Interest income	23	(109,902,899)	(100,834,808)
Interest expense	23	24,807,793	23,268,214
Depreciation	13	2,679,566	2,607,508
Unrealised gain on FVTPL investments	25	–	(15,988,117)
Gain on disposal of plant and equipment		(47,900)	(65,660)
Realised gain on FVTPL investments	25	(15,341,901)	(1,413,450)
Amortisation of intangible assets	14	3,921,062	4,224,359
Provision for impairment charges	28	5,802,340	13,602,384
Other non-cash items		190,389	248,343
		<b>(20,645,975)</b>	<b>(28,102,857)</b>
<b>Cash flows used in operating activities</b>			
<b>Net increase/(decrease) in operating assets</b>			
Loans and advances to customers		(76,480,093)	7,214,960
Other assets		4,114,887	2,029,251
Right-of-Use Asset		5,290	944,606
Mandatory deposits with the Central Bank		25,343,131	(21,605,465)
<b>Net decrease in operating liabilities</b>			
Customers' deposits		(41,328,050)	(109,826,370)
Other liabilities and accrued expenses		2,111,899	9,231,239
Lease liability		(26,740)	(908,356)
		<b>(106,905,651)</b>	<b>(141,022,992)</b>
<b>Cash used in operations</b>			
Income tax paid	29	(8,076,292)	(9,753,030)
Interest received		108,366,649	94,935,007
Interest paid		(24,305,082)	(23,258,731)
		<b>(30,920,376)</b>	<b>(79,099,746)</b>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	13	(1,332,081)	(4,299,704)
Purchase of investment securities	10	(186,928,766)	(362,920,381)
Disposal of investment securities		200,545,292	109,176,476
Purchase of intangible assets	14	(182,861)	(591,526)
Proceeds from disposal of plant and equipment		47,900	65,660
		<b>12,149,484</b>	<b>(258,569,475)</b>
<b>Net cash generated from/ (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	33	(2,335,427)	(3,595,427)
		<b>(2,335,427)</b>	<b>(3,595,427)</b>
<b>Net cash used in financing activities</b>			

# Eastern Caribbean Amalgamated Bank Limited

Statement of Cash Flows...*continued*

For the year ended September 30, 2024



(expressed in Eastern Caribbean dollars)

	Note	2024 \$	2023 \$
Net decrease in cash and cash equivalents		(21,106,319)	(341,264,648)
Exchange gains on cash and cash equivalents		(190,388)	(248,343)
Cash and cash equivalents at beginning of year		<u>357,261,881</u>	<u>698,774,872</u>
Cash and cash equivalents at end of year	22	<u>335,965,174</u>	<u>357,261,881</u>

The accompanying notes are an integral part of these financial statements.

# Eastern Caribbean Amalgamated Bank Limited

Statement of Changes in Equity  
For the year ended September 30, 2024



	Notes	Common shares \$	Preference shares \$	Revaluation reserve \$	Other reserves \$	Retained earnings \$	Total \$
(expressed in Eastern Caribbean dollars)							
<b>Balance as of September 30, 2022</b>		24,000,000	47,869,339	1,560,592	27,209,863	100,939,211	201,579,005
Profit for the year		–	–	–	–	33,078,591	33,078,591
Other comprehensive loss for the year		–	–	630,343	–	–	630,343
<b>Total comprehensive income for the year</b>		–	–	630,343	–	33,078,591	33,708,934
Reserve for interest recognised on impaired loans	19	–	–	–	2,251,346	(2,251,346)	–
Statutory reserve transfer	19	–	–	–	(360,883)	360,883	–
<b>Transactions with owners</b>		–	–	–	–	–	–
Dividends paid		–	–	–	–	(3,595,427)	(3,595,427)
<b>Balance as of September 30, 2023</b>		24,000,000	47,869,339	2,190,935	29,100,326	128,531,912	231,692,512
Profit for the year		–	–	–	–	62,821,814	62,821,814
Other comprehensive income for the year		–	–	479,607	–	–	479,607
<b>Total comprehensive income for the year</b>		–	–	479,607	–	62,821,814	63,301,421
Reserve for interest recognised on impaired loans	19	–	–	–	–	–	–
Statutory reserve adjustment	19	–	–	–	–	–	–
<b>Transactions with owners</b>		–	–	–	–	–	–
Dividends paid	33	–	–	–	–	(2,335,427)	(2,335,427)
<b>Balance as of September 30, 2024</b>		24,000,000	47,869,339	2,670,542	29,100,326	189,018,299	292,658,506

The accompanying notes are an integral part of these financial statements.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 1 Nature of operations

The principal activity of Eastern Caribbean Amalgamated Bank Limited (the “Bank”) is the provision of commercial banking services. The Bank is licensed to carry on banking business in Antigua and Barbuda and is regulated by the Eastern Caribbean Central Bank in accordance with the Banking Act No. 10 of 2015 and the Eastern Caribbean Central Bank Act No. 10 of 1983.

## 2 General information and statement of compliance with IFRS Accounting Standards

Eastern Caribbean Amalgamated Bank Limited is a limited liability company incorporated on July 16, 2009 in Antigua and Barbuda under the provisions of the Companies Act 1995. On October 18, 2010, the Bank purchased certain assets and liabilities from Bank of Antigua Limited and began trading on that date. On November 27, 2015, the Bank also acquired certain assets and liabilities from ABI Bank Limited. On September 1, 2021, the Bank acquired certain assets and liabilities of the Bank of Nova Scotia, Antigua branch operations. The Bank’s registered office is located at 1000 Airport Boulevard, Coolidge, Antigua.

The financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards and IFRIC interpretations as issued by the International Accounting Standards Board (IASB). They have been prepared on the going concern basis.

## 3 Changes in material accounting policies

### 3.1 New and revised standards that are effective for the Bank’s annual periods beginning on or after October 1, 2023

Standards and amendments that are effective for the first time on October 1, 2023, are as follows:

- IAS 1 – Classification of Liabilities as Current or Non-current (Amendments to IAS1)
- IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- IFRS 7 and IAS 7 – Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

These amendments do not have a material impact on these financial statements and therefore the disclosures have not been made.

### 3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Bank

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Bank.

Management anticipates that all of the relevant pronouncements will be adopted in the Bank’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Bank’s financial statements.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information

### 4.1 Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

### 4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-mandatory deposits with the ECCB and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.3 Financial instruments

#### 4.3.1 Classification and measurement

The Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss “FVTPL”;
- Fair value through other comprehensive income “FVOCI”; or
- Amortised cost (AC).

#### (a) Debt instruments

Debt instruments are those instruments that contain contractual obligations to pay the instrument holder certain cash flows, such as government and corporate bonds, loans and receivables.

Classification and subsequent measurement of debt instruments depend on:

- the Bank’s business model for managing the asset; and
- the cash flow characteristics of the asset.

#### *Business model test:*

The business model reflects the objective of the Bank holding different assets. That is, whether the Bank’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, the financial assets are held for speculative purposes and are measured at FVTPL.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.3 Financial instruments ... *continued*

#### 4.3.1 Classification and measurement ... *continued*

##### (a) Debt instruments ... *continued*

##### *Solely payments of principal and interest test (SPPI):*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest on the amount outstanding that is consistent with a basic lending arrangement. In this context, 'principal' is the fair value of the financial asset on initial recognition and 'interest' is consideration for the time value of money and credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin. In making this assessment, the Bank considers whether interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Bank classifies its debt instruments as amortised cost. These are financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

The Bank reclassifies debt investments when, and only when, its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be infrequent, and none occurred during the period.

##### (b) Equity instruments

Equity instruments are instruments that do not contain contractual obligations to pay the instrument holder and that evidence a residual interest in the issuer's net assets. The Bank subsequently measures all equity investments at FVTPL, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.3 Financial instruments ... *continued*

#### 4.3.1 Classification and measurement ... *continued*

##### Expected credit loss (ECL) measurement

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1: 12-month ECL (Performing, not credit-impaired)**  
A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’. Financial instruments in Stage 1 have their expected credit losses (ECL) measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next twelve (12) months.
- **Stage 2: Lifetime ECL (Under performing, not credit-impaired)**  
If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. Instruments in Stages 2 have their ECL measured based on expected credit losses on a lifetime basis. Lifetime ECLs are the ECL resulting from all possible default events over the expected life of the financial instrument. Credit risk is continuously monitored by the Bank.
- **Stage 3: Lifetime ECL (Non-performing, credit-impaired)**  
If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’. Instruments in Stage 3 have their ECL measured based on expected credit losses on a lifetime basis. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

For debt securities, the Bank examines the issuer’s capital adequacy, financial performance, liquidity position, and credit rating to assess whether the issuer has experienced a significant increase in credit risk since the origination of the assets. When no external credit rating is available, the Bank assigns internal credit ratings based on internal risk criteria. The Bank also considers if there is any negative press or adverse market information that may indicate changes in credit risk.

For loans and advances to customers and other receivables delinquency status is utilised as the main indicator for changes in credit risk. Credit management actions are triggered by movement in days past due. Other qualitative factors are considered, which include but are not limited to:

- Early signs of cash flow/liquidity problems;
- In short-term forbearance;
- Known adverse change in financial conditions; and
- Known adverse changes in business or economic conditions in which the borrower operates.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.3 Financial instruments ... *continued*

#### 4.3.1 Classification and measurement ... *continued*

##### Expected credit loss (ECL) measurement ... *continued*

###### *Significant increase in credit risk (SICR)*

The Bank assesses when a Significant Increase in Credit Risk (“SICR”) has occurred based on quantitative and qualitative assessments.

The Bank considers a financial instrument to have experienced a SICR if:

- An obligor’s external or internal credit rating is downgraded to below investment grade (BB+/Ba1, its internal equivalent or lower) compared to the rating at initial recognition;
- A below investment grade instrument is lowered by 2 or multiple notches; or
- Payment of principal and/or interest is more than 30 days past due.

If one or more of the above conditions are satisfied, the financial asset is transferred to Stage 2 from Stage 1. The assignment of a financial instrument to Stage 3 will be based on the status of the obligor being in default. Assets in Stage 2 or 3 will be transferred back to Stage 1 or 2 once the criteria for significant increase in credit risk or impairment are no longer met.

The staging assessment requires the Bank to monitor credit risk through regular credit reviews or other monitoring at a counterparty level. All loans and investment securities held by the Bank are allocated to a credit quality rating or risk grade (internal or external) based on the most recent review, forward-looking or other available information on an annual basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by management.

###### *Backstop*

A backstop is applied and the financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

If an asset is in investment grade at reporting date, it will be in Stage 1 irrespective of its origination rating. With respect to loans and advances to customers however, the Bank has not used the low credit risk exemption for any of those financial instruments in the year ended September 30, 2024.

###### *Default*

For debt securities, default is defined as the failure to meet contractual payment of principal or interest. For loans and advances to customers and other receivables, the Bank defines default based on the following criteria:

###### Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.3 Financial instruments ... continued

#### 4.3.1 Classification and measurement ... continued

##### Expected credit loss (ECL) measurement... continued

##### Default...continued

##### Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. Examples of these instances are:

- The borrower is in long-term forbearance;
- The borrower is deceased;
- The borrower is insolvent; or
- The borrower is in breach of financial covenants.

The criteria above are consistent with the definition of default used for internal credit risk management purposes.

##### Write-offs

The Bank directly reduces the gross carrying amount for financial assets when the Bank has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

##### Measurement of credit risk exposure

The Bank assesses on a forward-looking basis the ECL associated with its loans and advances to customers carried at amortised cost and with the exposure arising from loan commitments. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The estimation of credit risk exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

*Details of these statistical parameters/inputs are as follows:*

PD – The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months, or over the remaining lifetime of the obligation. PD is generated based on historical default data of each portfolio.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.3 Financial instruments ... continued

#### 4.3.1 Classification and measurement ... continued

##### Expected credit loss (ECL) measurement... continued

EAD – The exposure at default is based on the amount the Bank expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. EAD is assessed based on contractual terms of the debt instrument.

LGD – The loss given default represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, availability of collateral or other credit support, and historical recovery information. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

ECL is determined by projecting the PD, LGD and EAD for future periods and for each individual exposure or collective segment. These three components are multiplied together and discounted. For expected credit loss provisions modelled on a collective basis, a group of exposures is assessed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous.

##### *Forward-looking macroeconomic information*

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. The measurement of expected credit losses for each stage and the assessment of Significant Increase in Credit Risk (SICR) considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

When incorporating forward looking information, such as macroeconomic forecasts, into the determination of expected credit losses, the Bank considers the relevance of the information for each specific group of financial instruments. The macroeconomic indicators utilised include, but are not limited to, growth of gross domestic product, balance of payments, tourism, construction and rate of inflation and unemployment. These variables and their associated impact on the ECL varies by financial instrument.

In addition to the base economic scenario, the Bank also incorporated upside and downside scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each product type to ensure non-linearities are captured. The attributes of scenarios are reassessed at each reporting date. The scenario weightings take account of the range of possible outcomes of which each chosen scenario is representative.

##### *Segmentation*

IFRS 9 requires that exposures be approximately grouped into homogenous segments based on shared credit characteristics that are expected to react to the current environment, forward-looking information (FLI) and macro-economic factors in a similar way with respect to changes in the level of credit risk.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.3 Financial instruments ... *continued*

#### 4.3.1 Classification and measurement ... *continued*

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

##### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### 4.4 Provisions, contingent assets and contingent liabilities

Provisions for legal disputes or other claims are recognised when the Bank has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Bank and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are not recognised for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Any reimbursement that the Bank can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.5 Property, plant and equipment and depreciation

Property, plant and equipment are initially recognised at acquisition cost including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Bank's management.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of a replaced asset is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

As no finite useful life for land can be determined, related carrying amounts are not depreciated. Depreciation of other assets is recognised on a straight-line basis to write down the cost less estimated residual values of the assets. The following useful lives are applied:

Buildings	50 years
Furniture and fixtures	3 – 10 years
Equipment	3 – 10 years
Computer equipment	3 – 5 years
Motor vehicles	3 – 5 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income within 'other income' or 'other expenses'.

#### Leases

At inception of a contract, the Bank assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.5 Property, plant and equipment and depreciation ... *continued*

*The Bank as a lessee*

The Bank mainly leases office space used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options, which are described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the standalone prices stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The Bank applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Bank recognises a right-of-use asset and a lease liability in the statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Bank. Estimates of any costs to dismantle and remove the asset at the end of the lease are not made as these costs are deemed to be immaterial. Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Bank also assesses the right-of-use asset for impairment when such indicators exist. The Bank does not revalue any of its right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments (including in-substance fixed payments).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.6 Intangible assets

#### *Computer software*

Computer software licences acquired in a business combination are recognised at fair value at the acquisition date. Other acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

#### *Customer list intangible*

The customer list intangible is an intangible asset that represents the intrinsic value that is contained in the customer deposit base acquired in a business combination. It is recognised because it is separable and the fair value can be reliably measured. The value of the customer list acquired in the business combination is generally determined using income approach methodologies such as the discounted cash flow method. The customer list intangible is recognised at fair value at the acquisition date, which is the deemed cost of the asset. It has a finite useful life and is carried at cost less amortisation and provisions for impairment, if any, plus reversals of impairment, if any. The asset is amortised over its estimated useful life based on the expected life of the customer relationship.

#### *Subsequent measurement*

Any intangible assets that are not acquired through a business combination are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, generally not exceeding 20 years, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in note 4.7. The following useful lives are applied:

Software	1 – 5 years
Customer list	8 – 11 years

Amortisation of intangible assets has been reported separately within the expenses in the statement of comprehensive income. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of comprehensive income within ‘other income’ or ‘other expenses’.

### 4.7 Impairment of non-financial assets

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Bank’s latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management’s assessment of respective risk profiles, such as market and asset-specific risks factors.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.7 Impairment of non-financial assets ... *continued*

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### 4.8 Equity and reserves

Share capital represents the issue price of shares that have been issued. Any transaction costs associated with the issuing of shares are shown in equity as a deduction, net of any related income tax benefits. Preference shares that do not exhibit any debt characteristics, and ordinary shares are classified as equity.

Other components of equity include the following:

- Other reserves which comprise statutory and regulatory reserves loan loss as stipulated by the Banking Act No. 10 of 2015 and the Eastern Caribbean Central Bank (note 19);
- Revaluation reserve for FVOCI equity investment securities comprises unrealised gains/losses relating to these types of financial instruments; and
- Retained earnings which includes all current and prior periods' retained profits or losses.

### 4.9 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

### 4.10 Foreign currency translation

#### *Functional and presentation currency*

The financial statements are presented in Eastern Caribbean Dollars, which is also the functional currency of the Bank.

#### *Foreign currency transactions and balances*

Foreign currency transactions are translated into Eastern Caribbean Dollars using the closing rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### 4.11 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method ("EIR"). The Bank calculates interest income on financial assets, other than those considered impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired as set out in note 5.1.3 it is regarded as "Stage 3", the Bank calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures as outlined in note 5.1.3 it is no longer credit-impaired, and the Bank reverts to calculating interest income on a gross basis.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.11 Interest income and expense ... continued

#### *The Effective Interest Rate (EIR) method*

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The Bank calculates interest income on financial assets, other than those considered impaired, by applying the EIR to the gross carrying amount of the financial asset.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### 4.12 Fee and commission income

Fees and commissions are generally recognised on the accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised using the effective interest method over the term of the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or have retained a part at the same effective interest rate as the other participants.

For the financial year ended September 30, 2024, the Bank recognised fees and commission revenue based on a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

### 4.13 Employee benefits

#### *Post-employment benefit plan*

The Bank provides post-employment benefits through a defined contribution plan. The Bank pays fixed contributions into a privately administered staff retirement savings plan for individual employees. The Bank has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

#### *Prepaid employee short term benefit*

The Bank facilitates loans to its staff at rates that are relatively low in comparison to the normal market rates in the Eastern Caribbean Currency Union (ECCU). These loans are recognised at fair value using a normal market rate, and the difference between the fair value and the consideration given to the employees is recorded as a prepaid short term employee benefit. The pre-paid short-term employee benefit is amortised through the statement of comprehensive income over the expected service life of the relevant individual employees or the expected life of the relevant individual loans, whichever is shorter.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.13 Employee benefits ... continued

#### *Short-term employee benefits*

Short-term employee benefits, including holiday entitlement, are current liabilities included in other liabilities and accrued expenses, measured at the undiscounted amount that the Bank expects to pay as a result of the unused entitlement.

### 4.14 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Bank's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with IFRS 15, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the statement of comprehensive income within 'operating expenses'.

### 4.15 Current and deferred income taxes

Tax expense recognised in operating income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in Antigua and Barbuda.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Bank's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are offset only when the Bank has a right and intention to set off current tax assets and liabilities from the same taxation authority.

# Eastern Caribbean Amalgamated Bank Limited

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September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... *continued*

### 4.15 Current and deferred income taxes ... *continued*

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of assets) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### 4.16 Related party transactions and relationship

Related party transactions are transfers of resources, services or obligations between the Bank and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include:

- (a) individuals or entities that control the Bank, either directly or indirectly through one or more intermediaries, or are controlled by, or under common control with the Bank;
- (b) associates; and
- (c) individuals or entities owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

### 4.17 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Bank in exchange for control of the business.

Acquired assets and liabilities assumed are measured at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Bank reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the Bank obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Goodwill arising in a business combination is recognised as an asset at the date of acquisition. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is subsequently carried at cost less accumulated impairment losses.

Negative goodwill in a business combination occurs when the consideration transferred is less than the net of the acquisition-date amounts of the identifiable assets acquired, and liabilities assumed. Negative goodwill is recorded as a “gain on acquisition” or “gain on bargain purchase”. The resulting gain is recognized in profit or loss on the acquisition date.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 4 Material accounting policy information ... continued

### 4.18 Events after reporting date

Any post-year-end event that provides additional information about the Bank's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

## 5 Financial risk management

The Bank's business activities involve taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management policies and procedures are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance.

The Bank defines risk as the possibility of losses, or profits foregone, which may be caused by internal or external factors.

Risk management is carried out by the Bank's Asset and Liability Management Committee (ALCO) under policies approved by the Board of Directors. The ALCO committee identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating departments. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which include credit risk, liquidity risk, market risk (which are discussed below) and operational risk.

### 5.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees and letters of credit. The Bank is also exposed to other credit risks arising from investments in debt securities.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control including risk on debt securities, cash, loans and advances, credit cards and loan commitments are monitored by the ALCO and the Credit committees, which report to the Board of Directors regularly.

#### 5.1.1 Credit risk measurement

##### (a) Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of the counterparty. They have been developed based on the Eastern Caribbean Central Bank's guidelines. Customers of the Bank are segmented into five rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.1 Credit risk measurement ... continued

#### (a) Loans and advances (including loan commitments and guarantees) ... continued

This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The ratings tools are kept under review and upgraded as necessary.

Bank's rating	Description of the grade
1	Pass
2	Special mention
3	Sub-standard
4	Doubtful
5	Loss

#### (b) Debt securities

The Bank's portfolio of debt securities and other bills consists of bonds and treasury bills issued by Governments within the Organisation of Eastern Caribbean States (OECS) and corporate bonds. The bonds are quoted but not traded in an active market. The Bank assesses the risk of default on these instruments by regularly monitoring the performance of the respective Governments through published government data, information received directly from government departments and information published by international agencies such as the International Monetary Fund (IMF) and the World Bank. The risk of default on regional corporate debt is assessed by continuous monitoring of the performance of these companies through published financial information, and other data gleaned from various sources.

### 5.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified, in particular to individual counterparties and groups, and to industries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. Such risks are monitored on a revolving basis and subject to regular review by the Board of Directors.

The exposure to any one borrower, including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored, on an ongoing basis. (see note 5.1.4)

Lending limits are reviewed in light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.2 Risk limit control and mitigation policies ... continued

Some other specific control and mitigation measures are outlined below:

#### (a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are as follows:

- Mortgages over properties
- Charges over business assets, primarily the premises
- Hypothecation of deposits

Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally secured. In addition, in order to minimise the credit loss, the Bank will seek additional collateral from the counterparty as soon as there are impairment indicators for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

#### (b) Financial guarantees (for credit related commitments)

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions are collateralised by the underlying shipment of goods to which they relate, and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter term commitments.

# Eastern Caribbean Amalgamated Bank Limited

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(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies

The internal rating system described in Note 5.1.1 focuses on expected credit losses – that is, taking into account the risk of future events giving rise to loss. The largest component of the impairment allowance for expected credit losses comes from the pass grade. The table below shows the percentage of the Bank's loans and advances and the associated impairment allowance for each of the Bank's rating categories.

	Loans and advances		Expected Credit Loss		Net total
	\$	%	\$	%	\$
<b>As of September 30, 2024</b>					
Pass	1,087,671,963	89	(52,029,232)	64	1,035,642,731
Special mention	76,039,683	6	(4,719,700)	6	71,319,983
Substandard	46,978,425	4	(19,199,860)	24	27,778,565
Doubtful	483,084	–	(334,634)	–	148,450
Loss	5,928,983	1	(4,783,155)	6	1,145,828
Gross loans and advances	1,217,102,138	100	(81,066,581)	100	1,136,035,557
Interest receivable	9,770,426	–	–	–	9,770,426
Deferred loan origination fees	(1,350,056)	–	–	–	(1,350,056)
	<b>1,225,522,508</b>	<b>100</b>	<b>(81,066,581)</b>	<b>100</b>	<b>1,144,455,927</b>

	Loans and advances		Expected Credit Loss		Net total
	\$	%	\$	%	\$
<b>As of September 30, 2023</b>					
Pass	998,739,767	87	(39,832,661)	49	958,907,106
Special mention	75,522,157	7	(7,704,307)	10	67,817,850
Substandard	29,070,339	3	(10,884,310)	14	18,186,029
Doubtful	13,052,238	1	(8,421,457)	10	4,630,781
Loss	28,438,778	2	(13,603,942)	17	14,834,836
Gross loans and advances	1,144,823,279	100	(80,446,677)	100	1,064,376,602
Interest receivable	8,486,294	–	–	–	8,486,294
Deferred loan origination fees	(605,982)	–	–	–	(605,982)
	<b>1,152,703,591</b>	<b>100</b>	<b>(80,446,677)</b>	<b>100</b>	<b>1,072,256,914</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ...continued

The internal rating system described in Note 5.1.1 is further analysed using the ECL staging model as follows:

	Loans and advances		Expected Credit Loss		Net total
	\$	%	\$	%	\$
<b>As of September 30, 2024</b>					
Stage 1	1,138,110,060	94	(49,209,809)	61	1,088,900,251
Stage 2	17,543,778	1	(3,014,306)	3	14,529,472
Stage 3	61,448,300	5	(28,842,466)	36	32,605,834
Gross loans and advances	1,217,102,138	100	(81,066,581)	100	1,136,035,557
Interest receivable	9,770,426	–	–	–	9,770,426
Deferred loan origination fees	(1,350,056)	–	–	–	(1,350,056)
	<b>1,225,522,508</b>	<b>100</b>	<b>(81,066,581)</b>	<b>100</b>	<b>1,144,455,927</b>

	Loans and advances		Expected Credit Loss		Net total
	\$	%	\$	%	\$
<b>As of September 30, 2023</b>					
Stage 1	1,042,559,767	91	(33,669,757)	42	1,008,890,010
Stage 2	19,488,279	2	(4,787,227)	6	14,701,052
Stage 3	82,775,233	7	(41,989,693)	52	40,785,540
Gross loans and advances	1,144,823,279	100	(80,446,677)	100	1,064,376,602
Interest receivable	8,486,294	–	–	–	8,486,294
Deferred loan origination fees	(605,982)	–	–	–	(605,982)
	<b>1,152,703,591</b>	<b>100</b>	<b>(80,446,677)</b>	<b>100</b>	<b>1,072,256,914</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

#### *Loans and advances to customers and investment securities*

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk through various approaches using PD, EAD and LGD or a loss rate approach. The approaches used for the purposes of measuring ECL under IFRS 9 are probability of default for the government loans and all investments. The loss rate approach was used for all remaining financial assets.

#### *Credit risk grading*

The Bank uses various strategies to grade and assess credit risk of its counterparties and/or borrowers. With respect to its counterparties with which it holds investment securities, the Bank uses external credit ratings and the corresponding historical default statistics to determine the probability of default of individual counterparties. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The Bank relies on external ratings as provided by various credit rating agencies. The Bank employs a correlation or mapping based on these external rating agencies as follows:

<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>	<b>CariCRIS</b>
AAA to AA-	Aaa to Aa3	AAA to AA-	AAA
A+ to A-	A1 to A3	A+ to A-	AAA
BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	AA+ to AA-
BB+ to BB-	Ba1 to Ba3	BB+ to BB-	A+ to A-
B+ to B-	B1 to B3	B+ to B-	BBB+ to BBB-
CCC+ and below	Caa1 and below	CCC+ and below	BB+ and below
Unrated	Unrated	Unrated	Unrated

#### *Expected credit loss measurement*

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), the exposure at default ("EAD") and the loss given default ("LGD"). The loss rate ("LR") and the discount rate ("DR") are subcomponents of the LGD.

The Bank currently uses each loan contractual interest rate as an approximation of the effective interest rate ("EIR") as the difference is considered immaterial.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

#### *Expected credit loss measurement ... continued*

The PD, LGD, and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas such as the (Caribbean, North America and Europe). Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The impairment model under IFRS 9 makes use of a three-stage approach in determining credit losses. The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgement.

Management relies on data from external rating agencies in determining the probability of defaults in the case of the government loans and investment securities. The Bank has chosen to assess the risk of credit loss using a PD approach that approximates the country's credit risk rating. The credit risk of Antigua and Barbuda is not rated by entities such as Moody's, S&P and CariCris. As a result, the Bank has identified a proxy for Antigua and Barbuda. Management assumes that all countries in the Caribbean are comparable as they are all developing countries.

#### *Forward looking information incorporated in the ECL models*

The estimation and application of forward-looking information will require significant judgment of PD, LGD, LR, DR and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances and are modelled based on the macroeconomic variables (or changes in macroeconomic variables), that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, gross domestic product, balance of payments, tourism, construction, inflation rate and unemployment rate.

For defaulted financial assets, management's assessment of the provision for expected lifetime losses which incorporates collateral recoveries, is calculated and recorded as the allowance for loan loss. The resulting allowance for loan loss is the higher of the computed ECL and the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. The ECL related to these financial assets is always measured on a lifetime basis (Stage 3). The Bank does not have any purchased or originated credit-impaired financial assets.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information. An explanation of how the Bank has incorporated this in its ECL models is included in note 4.3.1.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

#### Macroeconomic variable assumptions

The significant period-end assumptions and scores used for ECL estimates as of September 30, 2024, and 2023 are set out below.

		Weighting 2024	Weighting 2023
Antigua and Barbuda GDP growth	Upside	0.25	0.25
	Base	0.25	0.25
	Downside	0.31	0.31
Antigua and Barbuda balance of payments	Upside	0.19	0.19
	Base	0.25	0.25
	Downside	0.31	0.25
Antigua and Barbuda tourism	Upside	0.15	0.15
	Base	0.15	0.15
	Downside	0.20	0.20
Antigua and Barbuda construction	Upside	0.15	0.15
	Base	0.20	0.15
	Downside	0.20	0.20
USA inflation rate	Upside	0.05	0.05
	Base	0.06	0.05
	Downside	0.06	0.06
USA employment rate	Upside	0.05	0.05
	Base	0.05	0.05
	Downside	0.05	0.06

The macroeconomic variable outlook multiplier assigned to each economic scenario were as follows:

	Upside	Base	Downside
September 30, 2024	0.84	0.96	1.14
September 30, 2023	0.84	0.90	1.09

The macroeconomic variable weightings assigned to ECL estimate were as follows:

	2024	2023
Antigua and Barbuda GDP growth	25%	25%
Antigua and Barbuda balance of payments	25%	25%
Antigua and Barbuda tourism	20%	20%
Antigua and Barbuda construction	20%	20%
USA inflation rate	5%	5%
USA employment rate	5%	5%
	100%	100%

# Eastern Caribbean Amalgamated Bank Limited

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(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

*Macroeconomic variable assumptions ... continued*

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

	Change in credit quality since initial recognition		
	Stage 1	Stage 2	Stage 3
<b>Risk Assessment</b>	Initial recognition or credit risk is considered low	Significant increase in credit risk since initial recognition	Credit-impaired assets
<b>Expected credit losses</b>	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

*Significant increase in credit risk (SICR)*

The Bank considers a financial instrument to have experienced a significant increase in credit risk if:

- Movement from stage 1 to stage 2: Significant increase in credit risk (SICR) - credit rating dropped by 2 notches.
  - Movement from stage 1 or 2 to stage 3: Ratings of “SD” – selected default as per S&P or “C” as per Moody’s.
  - In the absence of Moody’s credit rating, the Bank would use CariCris then S&P. The ratings are then converted to the equivalent ratings as per the mapping table.
- a) Stage 1 includes those financial instruments that were not credit impaired on initial recognition or that have low credit risk at the reporting date. The expected credit loss for these instruments is measured by default events that are possible within twelve (12) months after the reporting date. It is not the expected cash shortfalls over the twelve (12)-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next twelve (12) months. Such facilities identified as:
- a) Loan repayments current or not more than 30 days past due;
  - b) Credit cards current or not more than 30 days past due;
  - c) Loans rescheduled and up to date for more than 12 months;
  - d) Financial instruments with a low risk of default;
  - e) Overdraft facilities with deposits over the last 30 days equal to, or in excess of the interest accrued on the facility;
  - f) Facilities where the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
  - g) Moratorium loans current or not more that 30 days past due.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

*Significant increase in credit risk (SICR) ... continued*

- b) The groupings used in performing the collective assessment are as follows:
- a) Personal loans
  - b) Corporate loans
  - c) Government loans
  - d) Overdraft – Commercial
  - e) Overdraft – Personal
  - f) Credit Cards
- c) Stage 2 includes those financial instruments where a significant increase in credit risk (SICR) has occurred since initial recognition, but not yet deemed to be credit-impaired. For Stage 2 assets assessed as having low credit risk, lifetime expected credit losses are recognised, but interest is still calculated on the gross carrying amount of the assets. Currently, facilities with any one or more of the following characteristics are identified as those displaying a significant increase in credit risk:
- a) Loans up to date but evidence suggests that certain factors could in the future affect the borrower's ability to service the loan properly or impair the collateral;
  - b) Inadequate credit documentation to support borrowings or other deviation from prudent lending practices;
  - c) Loan repayments in arrears, for between 31-89 days and /or non-compliance with other terms of the loan;
  - d) Credit card repayments in arrears, for between 31-89 days and/or non-compliance with other term of the facility agreement;
  - e) Collateral not fully in place or loan up to date but inadequately secured;
  - f) Loans which could deteriorate because of market conditions affecting the sector;
  - g) Rescheduled or refinanced loans which are up to date and adequately secured, for a minimum of 1 year after rescheduling;
  - h) Overdraft facilities exceeding the approved limit for more than 60 consecutive days; and
  - i) Moratorium loans, any loans in any industry where management has deemed a significant increase in credit risk has occurred.
- d) Stage 3 includes those financial instruments that are considered be in default or credit-impaired. A rebuttable presumption is applied, and a financial instrument is considered to be credit impaired if the borrower is more than 90 days past due on the contractual payments. The Bank also considers other qualitative criteria is determining default as they are indicators of the unlikelihood that the loan will be repaid such as:
- a) Delinquent restructured loans;
  - b) Overdraft facilities with no deposits over the last 90 days and funds insufficient to cover the interest accrued thereon;
  - c) All unauthorised overdrawn accounts without an approved limit; and
  - d) All credit card accounts that have been transferred to recoveries for collection.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

*Significant increase in credit risk (SICR) ... continued*

The above criteria have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The expected credit loss for these instruments is measured on a lifetime basis on an individual basis. The loss given default is calculated for each instrument and the expected credit loss is discounted back to the reporting date using the original effective interest rate. Forward looking information is also incorporated in determining the loss given default. These include the following:

- a) Property and land values;
- b) Interest rate forecasts; and
- c) Inflation forecasts.

The staging assessment requires the Bank to monitor credit risk through regular credit reviews or other monitoring at a counterparty level. All loans and investment securities held by the Bank are allocated to a credit quality rating or risk grade (internal or external) based on the most recent review, forward-looking or other available information on an annual basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by Management.

*Definition of default and credit-impaired assets*

The Bank defines default as the occurrence of one or more of the following events:

- The obligor is unlikely to pay its debt obligations (principal, interest or fees) in full;
- The occurrence of a credit loss event with any obligation of the obligor, such as a charge-off, specific provision, or distresses restructuring involving forgiveness or postponement of principal, interest or fees;
- The obligor is past due more than 90 days on any credit obligation; or
- The obligor has filed for bankruptcy or similar protection from creditors.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the (PD), (EAD) and (LGD) throughout the Bank's expected loss calculations. The Bank has not rebutted and maintains that default takes place when a financial asset is 90 days past due given its contractual obligations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six (6) months. This period of six (6) months has been determined based on consideration given to historical performance of the financial instrument returning to default status after cure.

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

- 5 Financial risk management ... continued**
- 5.1.3 Impairment and provisioning policies ... continued**

#### Expected credit loss measurement

*Maximum exposure to credit risk – Financial instruments subject to impairment*

The following tables contain an analyses of the credit risk exposure of financial instruments for which an ECL allowance is recognised.

	Summary of loans and advances to customers					
	ECL Staging					
	2024	2024		2024		2023
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	September 30, 2024 Total	September 30, 2023 Total	\$
Personal Loans	550,731,366	16,069,699	53,252,535	620,053,600	633,248,435	
Government	299,438,806	–	–	299,438,806	278,593,258	
Corporate Loans	205,367,425	1,276,870	4,826,016	211,470,311	149,539,330	
Credit card advances	45,550,220	139,793	2,134,877	47,824,890	43,240,995	
Overdrafts	37,022,243	57,416	1,234,872	38,314,531	40,201,261	
<b>Gross carrying amount</b>	<b>1,138,110,060</b>	<b>17,543,778</b>	<b>61,448,300</b>	<b>1,217,102,138</b>	<b>1,144,823,279</b>	
Provision for expected credit losses	<b>(49,209,809)</b>	<b>(3,014,306)</b>	<b>(28,842,466)</b>	<b>(81,066,581)</b>	<b>(80,446,677)</b>	
<b>Carrying amount</b>	<b>1,088,900,251</b>	<b>14,529,472</b>	<b>32,605,834</b>	<b>1,136,035,557</b>	<b>1,064,376,602</b>	

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

#### Expected credit loss measurement ... continued

The table below contains the analysis of ECL allowance per credit risk exposure on loans and advances to customers both on-balance sheet and off-balance sheet.

	2024	2023
	\$	\$
Personal loans	34,339,104	48,222,960
Corporate loans	31,647,395	16,428,463
Credit card advances	10,670,262	11,476,925
Overdrafts	2,656,954	1,880,199
Government	1,752,866	2,438,130
<b>Total provision for expected credit losses (ECL)</b>	<b>81,066,581</b>	<b>80,446,677</b>

#### Summary of Investment Securities ECL Staging – amortised cost

	Stage 1	Stage 2	Stage 3	September	September
	12-month	Lifetime	Lifetime	30, 2024	30, 2023
	ECL	ECL	ECL	Total	Total
	\$	\$	\$	\$	\$
Term deposits	440,101,404	–	–	440,101,404	449,542,575
Treasury bills	39,302,027	–	–	39,302,027	42,045,669
Bonds/fixed rate notes	33,613,320	5,092,438	–	38,705,758	41,560,160
Money market	106,482,084	–	–	106,482,084	19,179,295
<b>Gross carrying amount</b>	<b>619,498,835</b>	<b>5,092,438</b>	<b>–</b>	<b>624,591,273</b>	<b>552,327,699</b>
Provision for expected credit losses	(2,515,665)	(248,656)	–	(2,764,321)	(2,527,192)
<b>Carrying amount</b>	<b>616,983,170</b>	<b>4,843,782</b>	<b>–</b>	<b>621,826,952</b>	<b>549,800,507</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

The table below contains the analysis of ECL allowance per credit risk exposure on investment securities (see note 10).

	2024	2023
	\$	\$
Bonds/Fixed rate notes	1,316,166	1,091,735
Term deposits	890,435	850,112
Treasury bills	557,720	585,345
<b>Total provision for expected credit losses (ECL)</b>	<b>2,764,321</b>	<b>2,527,192</b>

#### *Loss allowance*

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stages 1, 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

Expected credit loss measurement ... continued

Loss allowance...continued

<b>Summary of Loans and Advances to Customers</b>				
<b>Loss Allowance - Loans at amortised cost</b>				
	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Loss allowance as of September 30, 2023</b>	<b>33,669,757</b>	<b>4,787,227</b>	<b>41,989,693</b>	<b>80,446,677</b>
<b>Movements with P&amp;L impact:</b>				
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	(691,217)	691,217	–	–
Transfers from Stage 1 to Stage 3	(1,638,696)	–	1,638,696	–
Transfers from Stage 2 to Stage 1	4,437,046	(4,437,046)	–	–
Transfers from Stage 2 to Stage 3	–	(2,415,405)	2,415,405	–
Transfers from Stage 3 to Stage 1	1,934,944	–	(1,934,944)	–
Transfers from Stage 3 to Stage 2	–	284,134	(284,134)	–
New financial assets originated or purchased	8,027,830	118,897	3,179,784	11,326,511
Financial assets derecognised during the year	(1,575,736)	(2,685,412)	(6,857,220)	(11,118,368)
Changes in PDs LGDs/EADs	5,045,881	6,670,694	(6,359,507)	5,357,068
	<b>49,209,809</b>	<b>3,014,306</b>	<b>33,787,773</b>	<b>86,011,888</b>
<b>Other movements with no P&amp;L impact</b>				
Write-offs	–	–	(4,945,307)	(4,945,307)
<b>Loss allowance as of September 30, 2024</b>	<b>49,209,809</b>	<b>3,014,306</b>	<b>28,842,466</b>	<b>81,066,581</b>

The write-offs were as follows:

	2024 \$	2023 \$
Personal loans	3,776,190	2,477,754
Credit card advances	688,324	260,922
Overdraft accounts	480,793	30,649
	<b>4,945,307</b>	<b>2,769,325</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

- 5 **Financial risk management** ... *continued*  
 5.1.3 **Impairment and provisioning policies** ... *continued*

## IFRS 9 carrying values

The following tables explain the changes in the carrying value between the beginning and the end of the year. The gross carrying amounts of investments below represent the Bank's maximum exposure to credit risk on these assets.

### Treasury Bills

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Gross carrying amount as of September 30, 2023</b>	42,045,671	—	—	42,045,671
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
New financial assets originated or purchased	72,781,401	—	—	72,781,401
Financial assets derecognised during the year	(75,425,207)	—	—	(75,425,207)
Changes in principal and interest	(99,838)	—	—	(99,838)
<b>Gross carrying amount as of September 30, 2024</b>	<b>39,302,027</b>	—	—	<b>39,302,027</b>

### Bonds/ fixed rate notes

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Gross carrying amount as at September 30, 2023</b>	36,466,187	5,093,973	—	41,560,160
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
New financial assets originated or purchased	13,500,000	—	—	13,500,000
Financial assets derecognised during the year	(16,318,399)	—	—	(16,318,399)
Changes in principal and interest	(34,468)	(1,535)	—	(36,003)
<b>Gross carrying amount as of September 30, 2024</b>	<b>33,613,320</b>	<b>5,092,438</b>	—	<b>38,705,758</b>

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

Money market	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Gross carrying amount as of September 30, 2023</b>	19,179,295	—	—	19,179,295
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
New financial assets originated or purchased	85,427,148	—	—	85,427,148
Financial assets derecognised during the year	—	—	—	—
Changes in principal and interest	1,875,641	—	—	1,875,641
<b>Gross carrying amount as of September 30, 2024</b>	<b>106,482,084</b>	—	—	<b>106,482,084</b>
<b>Term deposits</b>				
<b>Gross carrying amount as of September 30, 2023</b>	449,542,573	—	—	449,542,573
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
New financial assets originated or purchased	15,220,215	—	—	15,220,215
Financial assets derecognised during the year	(24,753,150)	—	—	(24,753,150)
Changes in principal and interest	91,766	—	—	91,766
<b>Gross carrying amount as of September 30, 2024</b>	<b>440,101,404</b>	—	—	<b>440,101,404</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Personal – amortised cost</b>				
<b>Gross carrying amount as of September 30, 2023</b>	549,003,223	15,743,501	68,501,711	633,248,435
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	(9,968,872)	9,968,872	–	–
Transfers from Stage 1 to Stage 3	(6,560,261)	–	6,560,261	–
Transfers from Stage 2 to Stage 1	16,121,580	(16,121,580)	–	–
Transfers from Stage 2 to Stage 3	–	(5,445,230)	5,445,230	–
Transfers from Stage 3 to Stage 1	4,764,553	–	(4,764,553)	–
Transfers from Stage 3 to Stage 2	–	546,630	(546,630)	–
New financial assets originated or purchased	64,584,398	899,587	2,976,233	68,460,218
Financial assets derecognised during the year	(34,940,667)	(2,015,460)	(5,960,690)	(42,916,817)
Changes in principal and interest	(32,272,588)	12,493,379	(15,182,837)	(34,962,046)
Write-offs	–	–	(3,776,190)	(3,776,190)
<b>Gross carrying amount as of September 30, 2024</b>	<b>550,731,366</b>	<b>16,069,699</b>	<b>53,252,535</b>	<b>620,053,600</b>
<b>Corporate – amortised cost</b>				
<b>Gross carrying amount as of September 30, 2023</b>				
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	(2,077,196)	2,077,196	–	–
Transfers from Stage 1 to Stage 3	(11,322,006)	–	11,322,006	–
Transfers from Stage 2 to Stage 1	203,772	(203,772)	–	–
Transfers from Stage 3 to Stage 1	–	–	–	–
Transfers from Stage 2 to Stage 3	–	(1,104,479)	1,104,479	–
New financial assets originated or purchased	71,538,834	–	–	71,538,834
Financial assets derecognised during the year	(7,041,948)	(2,427,582)	(17,413)	(9,486,943)
Changes in principal and interest	13,926,248	374,557	(14,421,715)	(120,910)
<b>Gross carrying amount as of September 30, 2024</b>	<b>205,367,425</b>	<b>1,276,870</b>	<b>4,826,016</b>	<b>211,470,311</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial risk management ... continued

### 5.1.3 Impairment and provisioning policies ... continued

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
<b>Government – amortised cost</b>				
<b>Gross carrying amount as of September 30, 2023</b>	278,593,258	–	–	278,593,258
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	–	–	–	–
Transfers from Stage 1 to Stage 3	–	–	–	–
Transfers from Stage 2 to Stage 3	–	–	–	–
New financial assets originated or purchased	27,418,812	–	–	27,418,812
Financial assets derecognised during the year	–	–	–	–
Changes in principal and interest	(6,567,264)	–	–	(6,657,264)
<b>Gross carrying amount as of September 30, 2024</b>	<b>299,438,806</b>	<b>–</b>	<b>–</b>	<b>299,438,806</b>
<b>Overdrafts – amortised cost</b>				
<b>Gross carrying amount as of September 30, 2023</b>	39,955,879	7,239	238,143	40,201,261
<i>Transfers:</i>				
Transfers from Stage 1 to Stage 2	(55,625)	55,625	–	–
Transfers from Stage 1 to Stage 3	(606,979)	–	606,979	–
Transfers from Stage 2 to Stage 1	2,456,049	(2,456,049)	–	–
Transfers from Stage 2 to Stage 3	–	(34,122)	34,122	–
Transfers from Stage 3 to Stage 1	27,199	–	(27,199)	–
Transfers from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	2,690,672	–	449,607	3,140,279
Financial assets derecognised during the year	(2,280,199)	(1,661)	(70,097)	(2,351,957)
Changes in principal and interest	(5,164,753)	2,486,384	484,110	(2,194,259)
Write-offs	–	–	(480,793)	(480,793)
<b>Gross carrying amount as of September 30, 2024</b>	<b>37,022,243</b>	<b>57,416</b>	<b>1,234,872</b>	<b>38,314,531</b>

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

#### 5 Financial risk management ... continued

##### 5.1.3 Impairment and provisioning policies ... continued

###### Credit card advances – amortised cost

###### Gross carrying amount as of September 30, 2023

*Transfers:*

Transfers from Stage 1 to Stage 2

Transfers from Stage 1 to Stage 3

Transfers from Stage 2 to Stage 1

Transfers from Stage 2 to Stage 3

Transfers from Stage 3 to Stage 1

Transfers from Stage 3 to Stage 2

New financial assets originated or purchased

Financial assets derecognised during the year

Changes in principal and interest

Write-offs

###### Gross carrying amount as of September 30, 2024

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
	34,867,686	1,176,589	7,196,720	43,240,995
	(757,490)	757,490	–	–
	(2,400,014)	–	2,400,014	–
	92,351	(92,351)	–	–
	–	(22,396)	22,396	–
	333,584	–	(333,584)	–
	–	182,757	(182,757)	–
	1,137,197	–	45,034	1,182,231
	(1,063,932)	(207,480)	(3,161,300)	(4,432,712)
	13,340,838	(1,654,816)	(3,163,322)	8,522,700
	–	–	(688,324)	(688,324)
	<b>45,550,220</b>	<b>139,793</b>	<b>2,134,877</b>	<b>47,824,890</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... continued

### 5.1.4 Maximum exposure to credit risk before collateral held or other credit enhancements

	2024	2023
	\$	\$
<b>Credit risk exposures relating to on-balance sheet assets:</b>		
Loans and advances to customers	1,144,455,927	1,072,256,914
Investment securities at amortised cost	621,826,952	549,800,507
Due from banks and other financial institutions	216,629,134	280,597,601
Other financial assets	1,239,205	1,955,054
	<b>1,984,151,218</b>	<b>1,904,610,076</b>
<b>Credit risk exposures relating to off-balance sheet items:</b>		
Loan commitments and other credit related facilities	177,274,230	112,466,667
Financial guarantees	4,050,000	4,050,000
	<b>181,324,230</b>	<b>116,516,667</b>
<b>Total credit exposure</b>	<b>2,165,475,448</b>	<b>2,021,126,743</b>

The previous table represents a worst-case scenario of credit risk exposures to the Bank as of September 30, 2024, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above 53% (2023: 53%) of the total maximum exposure is derived from loans and advances to customers and 29% (2023: 27%) is derived from investment securities.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loans and advances portfolio and debt securities based on the following:

- In 2024, 95% (2023: 94%) of the loans and advances portfolio are categorised in the top two grades of the internal rating system, being Pass and Special mention;
- In 2024, 5% (2023: 7%) of loans and advances are considered impaired.

### Concentration of risks of financial assets with credit risk exposure

#### (a) Geographical sectors

The following table analyses the Bank's main credit exposure at their carrying amounts, (without taking into account any collateral held or other credit support) as categorised by geographical region as of September 30, 2023. For all classes of assets, the Bank has allocated exposures to regions based on the country of domicile of the counterparties.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.1.4 Maximum exposure to credit risk before collateral held or other credit enhancements ... *continued*

#### Concentration of risks of financial assets with credit risk exposure ... *continued*

As of September 30, 2024

	Antigua & Barbuda \$	Other Caribbean \$	North America \$	Europe \$	Total \$
<b>Credit risk exposures relating to on-balance sheet assets:</b>					
Due from banks and other financial institutions	3,758,529	8,387,699	165,684,134	38,798,772	216,629,134
Investment securities at amortised cost	16,894,002	105,999,055	493,509,710	5,424,185	621,826,952
Loans and advances to customers	1,036,638,733	86,693,825	8,327,811	12,795,558	1,144,455,927
Other financial assets	1,239,205	—	—	—	1,239,205
	1,058,530,469	201,080,579	667,521,655	57,018,515	1,984,151,218
<b>Credit exposures relating to off-balance sheet items:</b>					
– Financial guarantees	4,050,000	—	—	—	4,050,000
– Loan commitments and other credit related facilities	156,416,494	20,857,736	—	—	177,274,230
<b>Total</b>	<b>1,218,996,963</b>	<b>221,938,315</b>	<b>667,521,655</b>	<b>57,018,515</b>	<b>2,165,475,448</b>

## Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
 September 30, 2024

(expressed in Eastern Caribbean dollars)

### 5 Financial instruments risk ... *continued*

#### 5.1.4 Maximum exposure to credit risk before collateral held or other credit enhancements ... *continued*

##### Concentration of risks of financial assets with credit risk exposure ... continued

As of September 30, 2023

	Antigua & Barbuda \$	Other Caribbean \$	North America \$	Europe \$	Total \$
<b>Credit risk exposures relating to on-balance sheet assets:</b>					
Due from banks and other financial institutions	2,566,475	8,727,156	252,689,424	16,614,546	280,597,601
Investment securities at amortised cost	17,495,856	109,664,586	417,197,426	5,442,639	549,800,507
Loans and advances to customers	1,022,259,665	33,939,662	5,332,556	10,725,031	1,072,256,914
Other financial assets	1,955,054	—	—	—	1,955,054
	<b>1,044,277,050</b>	<b>152,331,404</b>	<b>675,219,406</b>	<b>32,782,216</b>	<b>1,904,610,076</b>
<b>Credit exposures relating to off-balance sheet items:</b>					
— Financial guarantees	4,050,000	—	—	—	4,050,000
— Loan commitments and other credit related facilities	112,466,667	—	—	—	112,466,667
<b>Total</b>	<b>1,160,793,717</b>	<b>152,331,404</b>	<b>675,219,406</b>	<b>32,782,216</b>	<b>2,021,126,743</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... continued

### 5.1.4 Maximum exposure to credit risk before collateral held or other credit enhancements ... continued

#### Concentration of risks of financial assets with credit risk exposure ... continued

(a) *Economic risk concentrations within the customer loan portfolio were as follows:*

	2024		2023	
	\$	%	\$	%
Personal	617,382,612	50.8%	629,817,976	55.0%
Public sector	313,093,267	25.8%	294,260,669	25.7%
Tourism	91,352,375	7.5%	72,846,394	6.4%
Construction/Real Estate	46,619,290	3.8%	30,734,138	2.7%
Credit card advances	47,824,890	3.9%	43,240,995	3.8%
Distributive Trade	23,601,507	1.9%	24,263,158	2.1%
Transportation/storage	17,389,891	1.4%	17,336,249	1.5%
Other industries	49,109,552	4.0%	22,194,465	1.9%
Manufacturing	5,495,024	0.5%	5,427,704	0.5%
Professional/Services	5,233,730	0.4%	4,501,531	0.4%
<b>Total</b>	<b>1,217,102,138</b>	<b>100.0%</b>	<b>1,144,823,279</b>	<b>100.0%</b>

The public sector loans within the Bank's loan portfolio are 100% comprised of lending to the Government of Antigua and Barbuda, representing a significant concentration of risk exposure for the Bank to this one customer.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... continued

### 5.1.5 Debt securities

There is no formal rating of the credit quality of bonds, treasury bills and equity investments. A number of qualitative and quantitative factors are considered in assessing the risk associated with each investment. However, there is no hierarchy of ranking. There are no external ratings of securities at the year end. The table below presents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation as of September 30, 2024.

As of September 30, 2024

	Amortised cost \$	FVOCI debt securities \$	FVTPL debt Securities \$	Total \$
Unrated	621,826,952	–	–	621,826,952
<b>Total</b>	<b>621,826,952</b>	<b>–</b>	<b>–</b>	<b>621,826,952</b>

As of September 30, 2023

	Amortised cost \$	FVOCI debt securities \$	FVTPL debt Securities \$	Total \$
Unrated	549,800,507	–	–	549,800,507
<b>Total</b>	<b>549,800,507</b>	<b>–</b>	<b>–</b>	<b>549,800,507</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.2 Market risk

The Bank takes on exposure to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Bank's exposure to market risk is from non-trading portfolios.

Non-trading portfolios market risk primarily arises from the interest rate management of the entity's retail and commercial banking assets and liabilities. Non-trading portfolios market risk also includes equity price risks arising from the Bank's investment securities.

#### 5.2.1 Price risk

Though the Bank's investment portfolio includes securities that are quoted on the Eastern Caribbean Securities Exchange, its exposure to securities price risk is minimal because the total of these securities is insignificant in relation to its statement of financial position, and because of limited volatility in this market. The Bank does however hold securities that are quoted on the world's major securities markets. This exposes the Bank to price risk.

#### 5.2.2 Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Most of the Bank's assets and liabilities in foreign currencies are held in United States dollars. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since 1974. Therefore, there is no significant exposure to foreign exchange risk.

The following table summarises the Bank's exposure to foreign currency exchange risk as of September 30, 2024. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

#### 5 Financial instruments risk ... continued

##### 5.2.2 Foreign exchange risk ... continued

#### As of September 30, 2024

Cash and balances with the Central Bank  
Due from banks and financial institutions

#### Investment securities:

– Amortised cost									
– FVOCI	221,751,658	1,353,309	152,493	129,975	127,630	223,515,065			
– FVTPL	6,335,451	207,324,418	1,493,683	1,079,893	395,689	216,629,134			
Loans and advances to customers	117,510,533	504,316,419				621,826,952			
Other financial assets	3,228,467	3,621,866				6,850,333			
	–	–	–	–	–	–			
	1,032,005,999	112,449,928	–	–	–	1,144,455,927			
	1,239,205	–	–	–	–	1,239,205			

#### Total financial assets

1,382,071,313 829,065,940 1,646,176 1,209,868 523,319 2,214,516,616

#### Liabilities

Customers' deposits  
Other liabilities and accrued expenses

1,718,918,846 211,998,858 – – 1,930,917,704  
41,219,329 – – – 41,219,329

#### Total financial liabilities

1,760,138,175 211,998,858 – – 1,972,137,033

#### Net on-balance sheet position

(378,066,862) 617,067,082 1,646,176 1,209,868 523,319 242,379,583

#### Credit commitments

161,494,872 19,829,358 – – 181,324,230

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements September 30, 2024



(expressed in Eastern Caribbean dollars)

### 5 Financial instruments risk ... *continued*

#### 5.2.2 Foreign exchange risk ... *continued*

#### As of September 30, 2023

Cash and balances with the Central Bank

Due from banks and financial institutions

*Investment securities:*

– Amortised cost

– FVOCI

– FVTPL

Loans and advances to customers

Other financial assets

#### Total financial assets

#### Liabilities

Customers' deposits

Other liabilities and accrued expenses

#### Total financial liabilities

#### Net on-balance sheet position

#### Credit commitments

	XCD \$	USD \$	EUR \$	GBP \$	Other \$	Total \$
	203,719,522	1,764,247	106,954	136,105	133,892	205,860,720
	5,499,623	271,567,048	1,683,925	1,127,500	719,505	280,597,601
	114,034,993	435,765,514	–	–	–	549,800,507
	3,228,467	2,982,390	–	–	–	6,210,857
	–	70,230,701	–	–	–	70,230,701
	982,565,296	89,691,618	–	–	–	1,072,256,914
	1,955,054	–	–	–	–	1,955,054
<b>Total financial assets</b>	<b>1,311,002,955</b>	<b>872,001,518</b>	<b>1,790,879</b>	<b>1,263,605</b>	<b>853,397</b>	<b>2,186,912,354</b>
	1,624,637,300	347,105,743	–	–	–	1,971,743,043
	39,779,473	–	–	–	–	39,779,473
<b>Total financial liabilities</b>	<b>1,664,416,773</b>	<b>347,105,743</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,011,522,516</b>
<b>Net on-balance sheet position</b>	<b>(353,413,818)</b>	<b>524,895,775</b>	<b>1,790,879</b>	<b>1,263,605</b>	<b>853,397</b>	<b>175,389,838</b>
<b>Credit commitments</b>	<b>112,466,667</b>	<b>4,050,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>116,516,667</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.2.3 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing level of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by the ALCO Committee.

The following table summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

## Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
 September 30, 2024

(expressed in Eastern Caribbean dollars)

### 5 Financial instruments risk ... continued

#### 5.2.3 Interest rate risk ... continued

	Under 1 Month \$	1 to 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Non- interest Bearing \$	Total \$
<b>As of September 30, 2024</b>							
<b>Assets</b>							
Cash and balances with the Central bank	–	–	–	–	–	223,515,065	223,515,065
Due from banks and other financial institutions	–	–	–	–	–	216,629,134	216,629,134
<i>Investment securities:</i>							
– Amortised cost	118,885,972	13,494,119	475,968,951	7,603,691	8,877,219	–	624,829,952
– FVOCI investments	–	–	–	–	–	6,850,333	6,850,333
– FVTPL investments	–	–	–	–	–	–	–
Loans and advances to customers	79,711,828	5,222,839	124,504,047	195,282,729	739,734,484	–	1,144,455,927
Other financial assets	–	–	–	–	–	1,239,205	1,239,205
<b>Total financial assets</b>	<b>198,597,800</b>	<b>18,716,958</b>	<b>600,472,998</b>	<b>202,886,420</b>	<b>748,611,703</b>	<b>448,233,737</b>	<b>2,217,519,616</b>
<b>Liabilities</b>							
Customers' deposits	1,607,775,061	55,503,008	262,220,077	1,165,083	3,254,475	–	1,929,917,704
Other liabilities and accrued expenses	41,219,329	–	–	–	–	–	41,219,329
<b>Total financial liabilities</b>	<b>1,648,994,390</b>	<b>55,503,008</b>	<b>262,220,077</b>	<b>1,165,083</b>	<b>3,254,475</b>	<b>–</b>	<b>1,971,137,033</b>
<b>Total interest repricing gap</b>	<b>(1,450,396,590)</b>	<b>(36,786,050)</b>	<b>338,252,921</b>	<b>201,721,337</b>	<b>745,357,228</b>	<b>448,233,737</b>	<b>246,382,583</b>

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

#### 5 Financial instruments risk ... *continued*

##### 5.2.3 Interest rate risk ... continued

#### As of September 30, 2023

Assets	Under 1 Month \$	1 to 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Non- interest Bearing \$	Total \$
Cash and balances with the Central bank	–	–	–	–	–	205,860,720	205,860,720
Due from banks and other financial institutions	–	–	–	–	–	280,597,601	280,597,601
<i>Investment securities:</i>							
– Amortised cost	30,879,779	61,705,437	441,786,050	5,602,156	9,827,085	–	549,800,507
– FVOCI investments	–	–	–	–	–	6,210,857	6,210,857
– FVTPL investments	–	–	–	–	–	70,230,701	70,230,701
Loans and advances to customers	109,329,086	13,036,019	15,666,327	176,663,448	757,562,034	–	1,072,256,914
Other financial assets	–	–	–	–	–	1,955,054	1,955,054
<b>Total financial assets</b>	<b>140,208,865</b>	<b>74,741,456</b>	<b>457,452,377</b>	<b>182,265,604</b>	<b>767,389,119</b>	<b>564,854,933</b>	<b>2,186,912,354</b>
<b>Liabilities</b>							
Customers' deposits	1,679,776,973	55,900,498	229,974,623	3,061,601	3,029,348	–	1,971,743,043
Other liabilities and accrued expenses	39,779,473	–	–	–	–	–	39,779,473
<b>Total financial liabilities</b>	<b>1,719,556,446</b>	<b>55,900,498</b>	<b>229,974,623</b>	<b>3,061,601</b>	<b>3,029,348</b>	<b>–</b>	<b>2,011,522,516</b>
<b>Total interest repricing gap</b>	<b>(1,579,347,581)</b>	<b>18,840,958</b>	<b>227,477,754</b>	<b>179,204,003</b>	<b>764,359,771</b>	<b>564,854,933</b>	<b>175,389,838</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.2.3 Interest rate risk ... *continued*

Because of limited volatility in the securities markets in which the Bank's debt investments are held, the Bank is not unduly exposed to fair value interest rate risk.

Cash flow interest rate risk arises from loans and advances to customers, and other interest bearing assets at variable rates. The interest rates on loans are generally fixed hence there is no undue exposure to cash flow interest rate risk.

## 5.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments.

The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

### 5.3.1 Liquidity risk management process

The Bank's liquidity management process is carried out by the Bank's Board of Directors and Executive Management team. Oversight includes the following:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;
- Maintaining the liquidity ratios of the statement of financial position against internal and regulatory requirements;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement, and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The ALCO Committee also monitors unmatched medium term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

### 5.3.2. Funding approach

Sources of liquidity are regularly reviewed by Management and the Board of Directors in order to maintain a wide diversification by currency, geography, provider, product and term.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.3.3 Non derivative financial liabilities and assets held for managing liquidity risk

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

The Bank does not anticipate any shortfalls during the next 12 months since its customers generally roll-over their term deposits at maturity and no major withdrawals are anticipated for customer demand and savings accounts. Also, refer to the liquidity risk management process in note 5.3.1.

	Under 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	Over 5 years \$	Total \$
<b>As of September 30, 2024</b>						
Customers' deposits	1,607,775,061	55,503,008	263,220,077	1,165,083	3,254,475	1,930,917,704
Other liabilities and accrued expenses	41,219,329	—	—	—	—	41,219,329
<b>Total financial liabilities (contractual maturity dates)</b>	<b>1,648,994,390</b>	<b>55,503,008</b>	<b>263,220,077</b>	<b>1,165,083</b>	<b>3,254,475</b>	<b>1,972,137,033</b>
<b>Assets held for managing liquidity risk (contractual maturity dates)</b>	<b>675,483,871</b>	<b>76,794,268</b>	<b>712,806,663</b>	<b>498,686,318</b>	<b>791,687,315</b>	<b>2,755,458,436</b>

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

#### 5 Financial instruments risk ... *continued*

##### 5.3.3 Non derivative financial liabilities and assets held for managing liquidity risk ... *continued*

As of September 30, 2023

	Under 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	Over 5 years \$	Total \$
Customers' deposits	1,679,776,973	55,900,498	229,974,623	3,061,601	3,029,348	1,971,743,043
Other liabilities and accrued expenses	39,779,473	—	—	—	—	39,779,473
<b>Total financial liabilities (contractual maturity dates)</b>	<b>1,719,556,446</b>	<b>55,900,498</b>	<b>229,974,623</b>	<b>3,061,601</b>	<b>3,029,348</b>	<b>2,011,522,516</b>
<b>Assets held for managing liquidity risk (contractual maturity dates)</b>	<b>639,416,841</b>	<b>106,862,157</b>	<b>569,357,620</b>	<b>517,564,851</b>	<b>917,307,293</b>	<b>2,750,508,762</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.3.4 Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high-quality financial assets to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise of the following:

- Unrestricted cash and balances due from banks;
- Loans and receivables investment securities; and
- Unimpaired loans and advances.

### 5.3.5 Off balance sheet items

#### (a) *Credit commitments*

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers and other facilities are summarised in the table below.

#### (b) *Financial guarantees*

The Bank's financial guarantees are also included in the table below based on the earliest contractual maturity date.

	Up to 1 year \$	1 to 5 years \$	Total \$
<b>As of September 30, 2024</b>			
Financial guarantees	4,050,000	–	4,050,000
Credit commitments	177,274,230	–	177,274,230
	<b>181,324,230</b>	<b>–</b>	<b>181,324,230</b>
<b>As of September 30, 2023</b>			
Financial guarantees	4,050,000	–	4,050,000
Credit commitments	112,466,667	–	112,466,667
	<b>116,516,667</b>	<b>–</b>	<b>116,516,667</b>
	Up to 1 year \$	1 to 5 years \$	Total \$
(c) <i>Operating Lease Commitments</i>			
<b>As of September 30, 2024</b>	–	–	–
<b>As of September 30, 2023</b>	–	–	–

#### (d) *Capital commitments*

The Bank had no contractual capital commitments as of September 30, 2024 or September 30, 2023.

# Eastern Caribbean Amalgamated Bank Limited

## Notes to Financial Statements

### September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.4 Fair value of financial assets and liabilities

(a) *Financial instruments not measured at fair value*

The table below summarises the carrying amounts and fair values of the Bank's financial assets and liabilities not presented on the statement of financial position at their fair values.

	Carrying Value		Fair Value	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Financial assets</b>				
Due from banks and other financial institutions	216,629,134	280,597,601	216,629,134	280,597,601
Investment securities at amortised cost	621,826,952	549,800,507	621,826,952	549,800,507
Loans and advances to customers	1,144,455,927	1,072,256,914	896,013,397	852,005,847
Other financial assets	1,239,205	1,955,054	1,239,205	1,955,054
	<b>1,984,151,218</b>	<b>1,904,610,076</b>	<b>1,735,708,688</b>	<b>1,684,359,009</b>
<b>Financial liabilities</b>				
Customers' deposits	1,930,917,704	1,971,743,043	1,932,351,594	1,973,440,462
Other liabilities and accrued expenses	41,219,329	39,779,473	41,219,329	39,779,473
	<b>1,972,137,033</b>	<b>2,011,522,516</b>	<b>1,973,570,923</b>	<b>2,013,219,935</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.4 Fair value of financial assets and liabilities ... *continued*

#### (a) *Financial instruments not measured at fair value ... continued*

##### (i) *Due from banks and other financial institutions*

Amounts due from banks and other financial institutions include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

##### (ii) *Loans and advances to customers*

The estimated fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

##### (iii) *Investment securities*

The fair value for loans and receivables and held-to-maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated for the debt investment securities based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining maturity.

##### (iv) *Deposits from banks and due to customers and other borrowings*

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new deposits with similar remaining maturity.

#### 5.4.1 Fair value measurement

##### *Fair value measurement of financial instruments*

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes debt instruments listed on exchanges.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability. This level includes equity investments and debt instruments with significant unobservable components.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.4.2 Assets and liabilities measured at fair value

As of September 30, 2024

	Level 2	Level 3	Total
	\$	\$	\$
<b>Financial assets</b>			
<i>Investment securities:</i>			
– FVOCI investments	5,471,864	1,378,469	6,850,333
– FVTPL investments	–	–	–
<b>Total assets</b>	<b>5,471,864</b>	<b>1,378,469</b>	<b>6,850,333</b>

As of September 30, 2023

	Level 2	Level 3	Total
	\$	\$	\$
<b>Financial assets</b>			
<i>Investment securities:</i>			
– FVOCI investments	4,832,388	1,378,469	6,210,857
– FVTPL investments	70,230,701	–	70,230,701
<b>Total assets</b>	<b>75,063,089</b>	<b>1,378,469</b>	<b>76,441,558</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 5 Financial instruments risk ... *continued*

### 5.4.3 Measurement of fair value of financial instruments

The Bank's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the ALCO committee. Valuation processes and fair value changes are discussed among the audit committee and the finance team annually, in line with the Bank's reporting dates.

The valuation techniques used for instruments categorised in Level 3 is described below:

- Government securities (quoted) (Level 3)

The fair value is estimated based on discounted cash flows using prevailing interest rates for debts with similar credit risk and remaining maturity.

## 6 Capital management policies and procedures

The Bank's objectives when managing capital, which is a broader concept than 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the Eastern Caribbean Central Bank (the ECCB);
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored quarterly by the Bank's management employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the ECCB, for supervisory purposes. The required information is filed with the ECCB on a quarterly basis.

The ECCB requires all banks under its supervision to: (a) hold the minimum level of regulatory capital of \$25,000,000 and (b) maintain a ratio of total regulatory capital to the risk-weighted assets ('the Basel I ratio') at or above the internationally agreed minimum of 8%.

The Bank's regulatory capital as managed by senior management is divided into two tiers:

- Common Equity Tier 1 ("CET1") capital: share capital (net of any book values of treasury share), statutory reserve and retained earnings.
- Tier 2 capital: qualifying, collective impairment allowances and unrealised gains arising on the fair valuation of securities held as FVOCI equity investments.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 6 Capital management policies and procedures ... continued

In 2024, the ECCB implemented Basel II/III for assessing the capital adequacy ratio of member banks. The Bank transitioned its capital adequacy framework to align with the regulatory standards which introduced more granular risk weights for credit, market, and operational risks based on credit quality, type of counterparty, and other risk characteristics. The cumulative effect of these changes has been an overall increase in risk-weighted assets, which in turn affects the capital adequacy ratio reported for the financial year ended September 30, 2024. The new methodology was not required for financial year 2023.

The following table summarises the composition of the regulatory capital and the ratios of the Bank as of September 30, 2024. At this date the Bank complied with all the externally imposed capital requirements to which it is subject.

	2024	2023
	\$	\$
<b>Tier 1 capital</b>		
Common share capital	24,000,000	24,000,000
Preference share capital	47,869,339	47,869,339
Retained earnings	189,018,299	128,531,912
Regulatory reserve for interest on non-performing loans	–	5,100,326
Statutory reserve	24,000,000	24,000,000
Customer lists intangible asset	(28,800,000)	(32,400,000)
<b>Total qualifying Tier 1 capital</b>	<b>256,087,638</b>	<b>197,101,557</b>
<b>Tier 2 capital</b>		
Unrealised gain on FVOCI equity investments	2,670,542	2,190,935
Regulatory reserve for interest on non-performing loans	5,100,326	–
<b>Total qualifying Tier 2 capital</b>	<b>7,770,868</b>	<b>2,190,935</b>
<b>Total regulatory capital</b>	<b>263,858,506</b>	<b>199,292,512</b>
	2024	2023
	\$	\$
<b>Risk weighted assets</b>		
On-balance sheet	1,121,914,000	943,952,922
Off-balance sheet	44,323,000	22,493,333
<b>Total risk weighted assets</b>	<b>1,166,237,000</b>	<b>966,446,255</b>
<b>Basel ratio</b>	<b>23%</b>	<b>21%</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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(expressed in Eastern Caribbean dollars)

## 7 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

### Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Impairment losses on loans and advances carried at amortised cost*

The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis for the regulatory prudential reporting purposes and annually in preparing its IFRS Accounting Standards financial statements.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVPL is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring the ECL is detailed previously, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios;  
and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Bank in the above areas are set out in note 5.1.3.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 7 Significant management judgement in applying accounting policies and estimation uncertainty ... continued

Set out below are the changes to the ECL as of September 30, 2024, that would result from reasonably possible variations in the most significant assumptions affecting the ECL allowance for the financial assets in stages 1 to 2 with respect to the credit risk:

Loss Given Default	Change in threshold %	ECL impact of:	
		Increase in Value \$	Decrease in value \$
Loans	+/-10%	3,860,242	(3,869,000)
Overdrafts	+/-10%	154,192	(154,192)
Other financial assets	+/-10%	803,024	(803,157)

Below are the changes to the ECL as of September 30, 2024 that would result from reasonably possible variations in the most significant assumptions affecting the ECL allowance for the financial assets in stage 3 with respect to the credit risk:

Default loss rate	Change in threshold %	ECL impact of:	
		Increase in value \$	Decrease in value \$
Loans	+/-10%	1,596,926	(1,414,976)
Overdrafts	+/-10%	51,439	(51,439)
Other financial assets	+/-10%	28,512	(28,512)

In the ECL provisioning for stage 3 loans and advances to customers, the Bank considers the amount and timing of future cashflows in the assessment of the loss allowance:

- Were the net present value of estimated cash flows to differ by +/-10%, the impairment loss would be an estimated \$859,864 higher or \$337,914 lower (2023: \$1,113,232 higher or \$909,397 lower).
- Were the discount period used in calculation of the present value of the future cash flows to differ by +/-1 year, the impairment loss would be an estimated \$576,776 higher or \$294,455 lower (2023: \$860,547 higher or \$629,644 lower).

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 8 Cash and balances with the Central Bank

	Note	2024 \$	2023 \$
Cash on hand		22,916,384	23,590,818
Balances with ECCB other than mandatory reserves		78,121,621	34,449,711
Included in cash and cash equivalents	22	101,038,005	58,040,529
Mandatory deposits with the ECCB		122,477,060	147,820,191
<b>Total cash and balances with the Central Bank</b>		<b>223,515,065</b>	<b>205,860,720</b>

### *Mandatory deposits with the Central Bank*

- Commercial banks in the Eastern Caribbean Currency Union are required to maintain a non-interest bearing reserve with the ECCB equivalent to a minimum of 6% of their total deposit liabilities (excluding inter-bank deposits and foreign currencies). This reserve deposit is not available for use in the Bank's day-to-day operations. The minimum reserve requirement at the end of the reporting period was \$115,298,000 (2023: \$111,184,251).
- All commercial banks in the Eastern Caribbean Currency Union are required to have a 3-day average daily gross Automated Clearing House (ACH) collateral amount with the Eastern Caribbean Central Bank. The cash collateral amount held with the ECCB at the end of the reporting period amounted to \$28,332,037 (2023: \$27,424,191) and is included in the mandatory deposits with the Central Bank.

## 9 Due from banks and other financial institutions

	Note	2024 \$	2023 \$
Operating accounts with other banks		214,204,449	279,328,844
Items in the course of collection from other banks		2,424,685	1,268,757
Included in cash and cash equivalents	22	216,629,134	280,597,601
<b>Total due from banks and other financial institutions</b>		<b>216,629,134</b>	<b>280,597,601</b>

Operating accounts with other banks and financial institutions represent ordinary cash deposits made with other banks.

Balances held with shareholder banks as of September 30, 2024, amounted to \$ 1,619,421 (2023: \$1,620,535).

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
September 30, 2024



(expressed in Eastern Caribbean dollars)

## 10 Investment securities

	2024	2023
	\$	\$
<b>FVTPL</b>		
Quoted equity investments	–	70,230,701
	–	70,230,701
<b>FVOCI – equity securities</b>		
Quoted equity investments	5,471,864	4,832,388
Unquoted equity investments	1,378,469	1,378,469
	6,850,333	6,210,857
<b>Amortised cost</b>		
Term deposits	432,490,938	441,926,454
Money market	106,104,889	19,159,269
Treasury bills	38,971,598	41,615,404
Bonds/fixed rate notes	37,550,649	40,369,049
	615,118,074	543,070,176
Interest receivable	9,473,199	9,257,523
<b>Total amortised cost, gross</b>	<b>624,591,273</b>	<b>552,327,699</b>
Less: provision for expected credit losses	(2,764,321)	(2,527,192)
<b>Total amortised cost, net</b>	<b>621,826,952</b>	<b>549,800,507</b>
<b>Total investment securities</b>	<b>628,677,285</b>	<b>626,242,065</b>
<b>Current</b>	<b>605,346,045</b>	<b>534,371,263</b>
<b>Non-current</b>	<b>23,331,240</b>	<b>91,870,802</b>
<b>Total investment securities</b>	<b>628,677,285</b>	<b>626,242,065</b>

Treasury bills' interest rates range between 1.49% to 8% (2023: 1.49% to 8%) per annum with original maturities of less than 12 months. Included in the treasury bills from OECS Governments are cash equivalents with original maturities of three (3) months or less and interest rates ranging from 1.49% to 8% (2023: 1.49% to 8%) totalling \$14,684,549 (2023: \$15,019,084). Included in the treasury bills are amounts held with a shareholder, the Government of Antigua and Barbuda, totalling \$8,285,484 (2023: \$8,273,599). Interest income earned from treasury bills held with the Government of Antigua and Barbuda amounted to \$342,930 (2023: \$337,518).

Term deposits are with other OECS banks and financial institutions and international banks with interest rates ranges between 1% to 5.30% (2023: 1% to 5.84%) per annum with original maturities of 12 months or less. Included in the term deposits are cash equivalents with original maturities of three (3) months or less at interest rate of 1% (2023: 1%) per annum totalling \$3,613,486 (2023: \$3,604,667). Refer to note 22.

Bonds/fixed rate notes include various government bonds and fixed rate notes with OECS banks and financial institutions at interest rates ranging from 2.25% to 7.5% (2023: 2.5% to 7.5%) per annum with original maturities of greater than 12 months.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024

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(expressed in Eastern Caribbean dollars)

## 10 Investment securities ... *continued*

FTVPL investments are comprised of shares held in VISA International.

FVOCI investments include quoted and unquoted shares:

- The quoted equity investments are held in MasterCard International and St. Kitts Nevis Anguilla National Bank.
- The unquoted equity investments include shares held in Eastern Caribbean Securities Exchange Limited, Eastern Caribbean Automated Clearing House Services Incorporated and Eastern Caribbean Home Mortgage Bank.

## Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024

(expressed in Eastern Caribbean dollars)

### 10 Investment securities ... continued

The movement in investment securities during the year ended September 30, 2024 is as follows:

	Equity securities – FVTPL	Equity securities – FVOCI	Amortised Cost	Total
	\$	\$	\$	\$
Balance, beginning of year	59,039,775	5,370,400	300,552,973	364,963,148
Purchases	–	–	362,920,381	362,920,381
Disposals (sales/redemptions)	(6,210,641)	–	(118,345,747)	(124,556,388)
Increase in ECL	–	–	(1,848,411)	(1,848,411)
Fair value losses	17,401,567	840,457	–	18,242,024
Change in principal and interest	–	–	6,521,311	6,521,311
<b>Balance, September 30, 2023</b>	<b>70,230,701</b>	<b>6,210,857</b>	<b>549,800,507</b>	<b>626,242,065</b>
Purchases	–	–	186,928,766	186,928,766
Disposals (sales/redemptions)	(83,760,208)	–	(116,496,757)	(200,256,965)
Increase in ECL	–	–	(237,129)	(237,129)
Fair value gains	13,529,507	639,476	–	14,168,983
Change in principal and interest	–	–	1,831,565	1,831,565
<b>Balance, September 30, 2024</b>	<b>–</b>	<b>6,850,333</b>	<b>621,826,952</b>	<b>628,677,285</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 11 Loans and advances to customers

	2024	2023
	\$	\$
<i>Stage 1 Loans</i>		
Personal loans	550,731,366	549,003,223
Government of Antigua and Barbuda loans	299,438,806	278,593,258
Corporate loans	205,367,425	140,139,721
Overdrafts	37,022,243	39,955,879
Credit card advances	45,550,220	34,867,686
<b>Total Stage 1 loans</b>	<b>1,138,110,060</b>	<b>1,042,559,767</b>
<i>Stage 2 Loans</i>		
Personal loans	16,069,699	15,743,501
Corporate loans	1,276,870	2,560,950
Credit card advances	139,793	1,176,589
Overdrafts	57,416	7,239
<b>Total Stage 2 loans</b>	<b>17,543,778</b>	<b>19,488,279</b>
<i>Stage 3 Loans</i>		
Personal loans	53,252,535	68,501,711
Credit card advances	2,134,877	7,196,720
Corporate loans	4,826,016	6,838,659
Overdrafts	1,234,872	238,143
<b>Total Stage 3 loans</b>	<b>61,448,300</b>	<b>82,775,233</b>
Interest receivable	9,770,426	8,486,294
<i>Less:</i>		
Deferred loan origination fees	(1,350,056)	(605,982)
Provision for expected credit losses	(81,066,581)	(80,446,677)
<b>Total loans and advances to customers</b>	<b>1,144,455,927</b>	<b>1,072,256,914</b>
<b>Current</b>	<b>209,438,714</b>	<b>138,031,432</b>
<b>Non-current</b>	<b>935,017,213</b>	<b>934,225,482</b>
	<b>1,144,455,927</b>	<b>1,072,256,914</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 11 Loans and advances to customers ... continued

Roll forward of provision for credit losses on loans and advances	Note	2024 \$	2023 \$
Balance, beginning of year		80,446,677	77,733,175
Impairment charge	28	5,565,211	5,482,827
Loans written-off during the year as uncollectible		(4,945,307)	(2,769,325)
<b>Balance, end of year</b>		<b>81,066,581</b>	<b>80,446,677</b>

According to the ECCB credit prudential guidelines, the calculated allowance for loan impairment amounts to \$27,335,450 (2023: \$43,537,226). It has been determined that a reserve is not required in equity in the current financial year as the provision under IFRS 9 of \$81,066,581 (2023: \$80,446,677) exceeds the provision per the ECCB prudential guidelines.

Additionally, of the \$9,770,426 (2023: \$8,486,294) interest receivable recorded, \$1,685,368 (2023: \$1,124,997) represents interest receivable due from the Government of Antigua and Barbuda attributed to its loan facilities with the Bank. (see note 5.1.4)

According to the ECCB prudential guidelines, interest income is not accrued for loans that are non-performing. The accrued interest of \$5,100,326 (2023: \$5,100,326) on non-performing loans has been set aside as a specific reserve in equity (see note 19).

## 12 Other assets

	2024 \$	2023 \$
<b>Financial assets</b>		
Trade and other receivables	1,257,025	8,244,018
Less: Provision for doubtful debts	(17,820)	(6,288,964)
	<b>1,239,205</b>	<b>1,955,054</b>
<b>Non-financial assets</b>		
Prepaid employee benefit	5,642,622	4,589,483
Other prepaid expenses	4,789,120	4,207,818
Prepaid purchases	4,638,742	3,526,071
Less: Provision for doubtful debts	(6,146,150)	–
	<b>8,924,334</b>	<b>12,323,372</b>
<b>Total other assets</b>	<b>10,163,539</b>	<b>14,278,426</b>
<b>Current</b>	<b>5,374,419</b>	<b>10,070,608</b>
<b>Non-current</b>	<b>4,789,120</b>	<b>4,207,818</b>
	<b>10,163,539</b>	<b>14,278,426</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
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(expressed in Eastern Caribbean dollars)

## 13 Property, plant and equipment

	Artwork \$	Land \$	Buildings \$	Furniture, fixtures & equipment \$	Computer equipment \$	Motor vehicles \$	Total \$
<b>As of September 30, 2022</b>							
Cost	51,740	13,949,222	24,339,408	6,481,013	9,133,311	570,306	54,525,000
Accumulated depreciation	—	—	(3,332,064)	(3,349,769)	(8,131,934)	(510,048)	(15,323,815)
<b>Net book amounts</b>	<b>51,740</b>	<b>13,949,222</b>	<b>21,007,344</b>	<b>3,131,244</b>	<b>1,001,377</b>	<b>60,258</b>	<b>39,201,185</b>
<b>Year ended September 30, 2023</b>							
Opening net book amount	51,740	13,949,222	21,007,344	3,131,244	1,001,377	60,258	39,201,185
Additions	—	132,000	—	1,298,974	2,541,570	327,160	4,299,704
Disposals	—	—	—	—	—	(207,457)	(207,457)
Depreciation write-back	—	—	—	—	—	207,457	207,457
Depreciation charge	—	—	(811,361)	(790,415)	(921,220)	(84,512)	(2,607,508)
<b>Net book amounts</b>	<b>51,740</b>	<b>14,081,222</b>	<b>20,195,983</b>	<b>3,639,803</b>	<b>2,621,727</b>	<b>302,906</b>	<b>40,893,381</b>
<b>As of September 30, 2023</b>							
Cost	51,740	14,081,222	24,339,408	7,779,987	11,674,881	690,009	58,617,247
Accumulated depreciation	—	—	(4,143,425)	(4,140,184)	(9,053,154)	(387,103)	(17,723,866)
<b>Net book amounts</b>	<b>51,740</b>	<b>14,081,222</b>	<b>20,195,983</b>	<b>3,639,803</b>	<b>2,621,727</b>	<b>302,906</b>	<b>40,893,381</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements  
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(expressed in Eastern Caribbean dollars)

## 13 Property, plant and equipment ... continued

	Artwork \$	Land \$	Buildings \$	Furniture, fixtures & equipment \$	Computer equipment \$	Motor vehicles \$	Total \$
<b>Year ended September 30, 2024</b>							
Opening net book amount	51,740	14,081,222	20,195,983	3,639,803	2,621,727	302,906	40,893,381
Additions	—	—	—	225,621	585,433	521,027	1,332,081
Disposals	—	—	—	—	—	(186,153)	(186,153)
Depreciation write-back	—	—	—	—	—	186,153	186,153
Depreciation charge	—	—	(812,299)	(809,877)	(915,656)	(141,734)	(2,679,566)
<b>Net book amounts</b>	<b>51,740</b>	<b>14,081,222</b>	<b>19,383,684</b>	<b>3,055,547</b>	<b>2,291,504</b>	<b>682,199</b>	<b>39,545,896</b>
<b>As of September 30, 2024</b>							
Cost	51,740	14,081,222	24,339,408	8,005,608	12,260,314	1,024,883	59,763,175
Accumulated depreciation	—	—	(4,955,724)	(4,950,061)	(9,968,810)	(342,684)	(20,217,279)
<b>Net book amounts</b>	<b>51,740</b>	<b>14,081,222</b>	<b>19,383,684</b>	<b>3,055,547</b>	<b>2,291,504</b>	<b>682,199</b>	<b>39,545,896</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

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## 14 Intangible assets

	Computer software \$	Customer lists \$	Total \$
<b>September 30, 2022</b>			
Cost	6,538,993	41,631,000	48,169,993
Accumulated amortisation	(6,005,221)	(5,631,000)	(11,636,221)
<b>Net book amount</b>	<b>533,772</b>	<b>36,000,000</b>	<b>36,533,772</b>
<b>Year ended September 30, 2023</b>			
Net book value	533,772	36,000,000	36,533,772
Addition	591,526	–	591,526
Amortisation charge	(624,359)	(3,600,000)	(4,224,359)
<b>Net book amount</b>	<b>500,939</b>	<b>32,400,000</b>	<b>32,900,939</b>
<b>September 30, 2023</b>			
Cost	7,130,519	41,631,000	48,761,519
Accumulated amortisation	(6,629,580)	(9,231,000)	(15,860,580)
<b>Net book amount</b>	<b>500,939</b>	<b>32,400,000</b>	<b>32,900,939</b>
<b>Year ended September 30, 2024</b>			
Net book value	500,939	32,400,000	32,900,939
Addition	182,861	–	182,861
Amortisation charge	(321,062)	(3,600,000)	(3,921,062)
<b>Net book amount</b>	<b>362,738</b>	<b>28,800,000</b>	<b>29,162,738</b>
<b>September 30, 2024</b>			
Cost	7,313,380	41,631,000	48,944,380
Accumulated amortisation	(6,950,642)	(12,834,000)	(19,781,642)
<b>Net book amount</b>	<b>362,738</b>	<b>28,800,000</b>	<b>29,162,738</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 15 Customers' deposits

	2024 \$	2023 \$
Current accounts	806,940,044	898,533,135
Savings accounts	761,800,358	726,644,852
Time deposits	359,180,969	344,071,434
	<u>1,927,921,371</u>	<u>1,969,249,421</u>
Interest payable	2,996,333	2,493,622
<b>Total customers' deposits</b>	<u><b>1,930,917,704</b></u>	<u><b>1,971,743,043</b></u>
<b>Current</b>	<b>1,926,498,144</b>	<b>1,965,652,094</b>
<b>Non-current</b>	<b>4,419,560</b>	<b>6,090,949</b>
	<u><b>1,930,917,704</b></u>	<u><b>1,971,743,043</b></u>

Included in the customers' deposits at year end are deposits from related parties amounting to \$ 45,155,531 (2023: \$55,392,945) as disclosed in note 21.

Included in the customers' deposits at year end are deposits from other financial institutions, excluding shareholder banks, amounting to \$8,578,226 (2023: \$8,444,687).

Deposits held as collateral for loans and advances amounted to \$20,719,907 (2023: \$18,526,473).

Interest rates on customers' deposits range between 0.25% to 2.25% (2023: 0.25% to 2.25%) per annum. The total interest expense amounted to \$24,807,793 (2023: \$23,268,214) as disclosed in note 23. The time deposits have original maturities ranging from less than 12 months to 5 years.

# Eastern Caribbean Amalgamated Bank Limited

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## 16 Other liabilities and accrued expenses

	2024	2023
	\$	\$
Trade payables and accrued expenses	28,542,373	23,006,263
Other payables	5,856,114	2,421,097
Deferred employee benefit	5,642,622	4,589,483
Manager's cheques	5,325,297	5,953,806
Transfers payable	1,495,545	8,398,307
<b>Total other liabilities and accrued expenses</b>	<b>46,861,951</b>	<b>44,368,956</b>
<b>Current</b>	<b>41,219,329</b>	<b>39,779,473</b>
<b>Non-current</b>	<b>5,642,622</b>	<b>4,589,483</b>
	<b>46,861,951</b>	<b>44,368,956</b>

## 17 Share capital

	Note	2024	2023
		\$	\$
<b>Authorised share capital:</b>			
710,000 common shares at no par value		—	—
100,000 preference shares at no par value		—	—
<b>Issued and fully paid:</b>			
240,000 common shares issued at \$100 each		24,000,000	24,000,000
100,000 preference shares issued at \$478.69 each	18	47,869,339	47,869,339

## 18 Preference shares

The subscriptions for preference shares were made by the Government of Antigua and Barbuda. According to the Shareholders Agreement, the preference shares are convertible, redeemable and non-cumulative. The rights, privileges, restrictions and conditions for the preference shares outlined in the Shareholders' Agreement are as follows:

- Preference shareholders are entitled to receive dividends as and when declared by the Board and in the priority of disbursements and distributions as set forth in the By-laws and are paid out of the net profits of the Bank at 3.5% of par value.
- Preference shares are redeemable at the sole discretion of the Bank.
- Preference shares are classified as equity in the statement of financial position.
- Upon any liquidation, dissolution or winding up of the Bank, the preference shares will rank highest in priority of all share holdings.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 19 Reserves

### a) Other reserves

	2024	2023
	\$	\$
Regulatory reserve for interest on non-performing loans	5,100,326	5,100,326
Statutory reserve	24,000,000	24,000,000
<b>Total other reserves</b>	<b>29,100,326</b>	<b>29,100,326</b>

#### (i) Reserve for interest on non-performing loans

This reserve was created to set aside interest accrued on non-performing loans where certain conditions are met in accordance with IFRS 9. The Prudential Guidelines of the Eastern Caribbean Central Bank, however, does not allow for the accrual of such interest. The interest is therefore set aside in a reserve and is not available for distribution to the shareholders.

#### (ii) Statutory reserve

Under the Banking Act No. 10 of 2015, at least 20% of the net income of each financial year should be transferred to a reserve fund, if the amount of such reserve is less than 100% of the paid-up capital.

### b) Revaluation reserve

The revaluation reserve represents the unrealised net gains on FVOCI equity investment securities, net of tax. The movements in the reserve during the year are as follows:

	Notes	2024	2023
		\$	\$
Balance, beginning of year		2,190,935	1,560,592
Unrealised gains on FVOCI equity investment securities	10	639,476	840,457
Deferred income tax on remeasurement of FVOCI equity investment securities	29	(159,869)	(210,114)
<b>Balance, end of year</b>		<b>2,670,542</b>	<b>2,190,935</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 20 Commitments

### *Credit commitments and others*

	2024	2023
	\$	\$
Undrawn Commitments – Loans and overdrafts	120,561,438	51,414,990
Undrawn Commitments – Credit cards	56,712,792	61,051,677
Financial guarantees	4,050,000	4,050,000
	181,324,230	116,516,667

The credit risk associated with the financial guarantees and undrawn commitments on overdrafts and credit cards is considered to be low and ECL is expected to be immaterial.

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 21 Related parties' balances and transactions

	Interest rate	2024 \$	2023 \$
Loans to Government of Antigua and Barbuda	7.5 – 8.5%	286,964,927	292,259,254
Loans to key management personnel	4.0 – 8.5%	2,410,806	1,975,339
Loans to directors	5.75 – 7.0%	92,080	786,945
		<b>289,467,813</b>	<b>295,021,538</b>

Certain loans to shareholders are partially secured by assets including property. The loans to directors and key management personnel are secured by assets including cash and property. Interest income earned on shareholders', directors', and key members of management's loans and advances during the year amounted to \$22,250,722 (2023: \$23,011,548). The average interest rate on these loans is 7.62% (2023: 7.62%).

### Deposits from related parties

	Interest rate	2024 \$	2023 \$
Deposits from shareholders	0 – 2.15%	32,952,192	45,016,567
Deposits from staff retirement savings fund	5%	9,683,376	8,178,689
Deposits from key management personnel	0 – 2.5%	1,774,110	1,710,821
Deposits from directors	0 – 2.0%	745,853	486,868
		<b>45,155,531</b>	<b>55,392,945</b>

Interest expense paid on shareholders', directors', key members of management and the staff retirement savings fund deposits during the year amounted to \$869,089 (2023: \$763,044). The average interest rate on these deposits is 1.78% (2023: 1.49%).

### Remuneration of key management personnel

	2024 \$	2023 \$
Salaries and allowances	2,163,130	2,075,759
Directors' fees	462,124	321,112
Social Security and Medical Benefits costs	95,539	95,685
Other staff costs	16,183	16,937
	<b>2,736,976</b>	<b>2,509,493</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 22 Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	Notes	2024 \$	2023 \$
Due from banks and other financial institutions	9	216,629,134	280,597,601
Cash and non-mandatory balances with the Central Bank	8	101,038,005	58,040,529
Treasury bills	10	14,684,549	15,019,084
Term deposits with original maturities of ninety days or less	10	3,613,486	3,604,667
		<u>335,965,174</u>	<u>357,261,881</u>

## 23 Interest income and interest expense

	2024 \$	2023 \$
<b>Interest income</b>		
Loans and advances	84,283,386	84,996,387
Investment securities	25,619,513	15,838,421
<b>Total interest income</b>	<u>109,902,899</u>	<u>100,834,808</u>
<b>Interest expense</b>		
Savings accounts	(18,834,882)	(17,739,836)
Fixed deposits	(5,911,901)	(5,465,838)
Leases	(61,010)	(62,540)
<b>Total interest expense</b>	<u>(24,807,793)</u>	<u>(23,268,214)</u>
<b>Net interest income</b>	<u>85,095,106</u>	<u>77,566,594</u>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 24 Net fee income

	2024	2023
	\$	\$
<b>Fee income</b>		
Credit card fees	27,937,985	26,759,631
Foreign exchange gain	13,366,462	12,726,622
Other fees and commission	5,700,332	5,696,305
Service charge – deposits	4,555,871	4,064,496
Credit related fees	938,519	955,153
<b>Total fee income</b>	<b>52,499,169</b>	<b>50,202,207</b>
<b>Fee expense</b>		
Credit card expenses	(24,059,108)	(21,941,124)
Bank charges	(2,800,121)	(2,411,813)
Other fees-expenses	(4,329)	(36,033)
<b>Total fee expense</b>	<b>(26,863,558)</b>	<b>(24,388,970)</b>
<b>Net fee income</b>	<b>25,635,611</b>	<b>25,813,237</b>

## 25 Other income, net

	2024	2023
	\$	\$
Realised gain on sale of FVTPL investments	15,341,901	1,413,450
Recovery of loan amounts written off	3,067,308	2,647,998
Miscellaneous income	634,862	660,595
Dividends received	512,089	233,156
Recovery of credit card items written-off	132,530	1,437,039
Unrealised gain on FVTPL investments	–	15,988,117
<b>Total other income, net</b>	<b>19,688,690</b>	<b>22,380,355</b>

## 26 Personnel expenses

	2024	2023
	\$	\$
Salaries and allowances	21,958,762	20,484,764
Other personnel expenses	4,340,795	6,044,361
Statutory contributions	2,133,499	2,064,837
Insurance contributions	431,355	457,397
<b>Total personnel expenses</b>	<b>28,864,411</b>	<b>29,051,359</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 27 General and administrative expenses

	2024	2023
	\$	\$
Information technology	4,585,227	4,015,304
Telecommunications and postage	4,033,260	3,836,680
Professional fees	3,030,770	11,922,859
Printing, stationery and office supplies	2,318,766	2,885,846
Utilities	1,889,220	2,180,679
Repairs and maintenance	1,345,590	1,131,066
Insurance	1,244,903	1,152,292
Marketing and public relations	936,191	615,832
Directors' fees	462,124	321,112
Licenses and taxes	292,174	301,322
Rent	255,988	230,340
Other administration costs	149,631	84,178
Travel, conferences and meetings	117,161	103,144
<b>Total general and administrative expenses</b>	<b>20,661,005</b>	<b>28,780,654</b>

## 28 Impairment charges

	Notes	2024	2023
		\$	\$
Loans and advances to customers	11	5,565,211	5,482,827
Investment securities	10	237,129	1,848,411
Other assets	12	–	6,271,146
<b>Total impairment charges</b>		<b>5,802,340</b>	<b>13,602,384</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 29 Income tax

The legislatively enacted corporate tax rate for the year is 25% (2023: 25%).

	2024	2023
	\$	\$
<b>Tax charge</b>		
Profit for the year before tax	67,245,575	46,248,370
Tax charge at the applicable tax rate of 25%	16,811,394	11,562,093
Windfall tax at the applicable tax rate of 10%	4,566,618	4,238,401
Effect of permanent differences	249,056	(55,287)
Deferred tax credit – sale of FVTPL investments	(17,471,756)	–
Prior period under/(over)-accrual – deferred taxes	268,449	(2,575,428)
<b>Tax charge for the year</b>	<b>4,423,761</b>	<b>13,169,779</b>
<b>Represented as follows:</b>		
Current income tax expense	21,579,392	3,864,359
Deferred income tax (credit)/expense	(4,518,942)	7,642,447
Deferred tax credit – sale of FVTPL investments	(17,471,756)	–
Prior period under/(over)-accrual – deferred taxes	268,449	(2,575,428)
Windfall tax	4,566,618	4,238,401
	<b>4,423,761</b>	<b>13,169,779</b>
<b>Income tax payable</b>		
Balance recorded beginning of year	16,197,064	17,847,334
Taxes paid during the year	(8,076,292)	(9,753,030)
Current income tax expense for the year	21,579,392	3,864,359
Windfall tax	4,566,618	4,238,401
<b>Balance, end of year</b>	<b>34,266,782</b>	<b>16,197,064</b>
	2024	2023
	\$	\$
<b>Deferred tax asset/ (liability)</b>		
Deferred commissions on loans	337,514	151,494
Regulatory reserve for interest on non-performing loans	(1,275,082)	(1,275,082)
Depreciation on property, plant and equipment	702,202	870,367
Lease assets	27,215	–
IFRS 9 loan loss provisioning in excess of ECCB provision	13,432,787	9,227,364
Unrealised gain on investment securities	(560,417)	(17,872,304)
<b>Total deferred tax asset/(liability)</b>	<b>12,664,219</b>	<b>(8,898,161)</b>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 29 Income tax ... continued

The movements on the deferred tax asset/(liability) recognised during the year are as follows:

	Note	2024 \$	2023 \$
Balance, beginning of year		(8,898,161)	(3,621,028)
Current year credit/(expense)		4,518,942	(7,642,447)
Prior period (under)/over-accrual		(268,449)	2,575,428
Deferred tax credit – sale of FVTPL investments		17,471,756	–
Unrealised gains on investment securities in other comprehensive income	19	(159,869)	(210,114)
<b>Balance, end of year</b>		<b>12,664,219</b>	<b>(8,898,161)</b>

## 30 Employee benefits

Effective from December 1, 2012, the Bank established a defined contribution staff retirement savings plan which is mandatory for all permanent employees joining the Bank subsequent to that date. Qualifying employees choose to allocate a percentage of their basic monthly salary to the fund and the Bank matches the employee's contribution up to a maximum of 5%. Each employee is entitled to receive 100% of their contribution to the Fund in addition to the accrued interest earned at the time of terminating the employment relationship with the Bank. Each employee is entitled to receive a percentage of the Bank's contribution to the Fund in addition to the accrued interest earned at the time of terminating the employment relationship as follows:

- Less than 3 years - 0%
- 3 years but less than 5 years - 25%
- 5 years but less than 7 years - 50%
- 7 years but less than 10 years - 75%
- 10 years and over - 100%

An employee is not entitled to the Bank's contribution if terminated for just cause. An employee whose employment ceases due to medical reasons of a terminable nature is entitled to 100% of contributions made on their behalf by the Bank. The fund is administered by a committee of Trustees comprising the General Manager, the Manager of Human Resources and three employees who are staff nominated, voted and determined by the employees. The retirement savings plan expense for the year was \$552,603 (2023: \$476,480).

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 31 Leases

This note provides information on leases where the Bank is a lessee.

### a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2024	2023
	\$	\$
<b>Right-of-use asset</b>		
Building	8,323,086	7,051,037
Accumulated Depreciation	<u>(5,995,064)</u>	<u>(4,749,755)</u>
<b>Net book amount</b>	<u>2,328,022</u>	<u>2,301,282</u>

	2024	2023
	\$	\$
<b>Lease Liabilities</b>		
Current	1,270,586	1,164,919
Non-Current	<u>1,166,296</u>	<u>1,266,673</u>
	<u>2,436,882</u>	<u>2,431,592</u>

### b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2024	2023
	\$	\$
<b>Depreciation charge of right-of-use asset</b>		
Building	<u>1,245,448</u>	<u>1,245,552</u>
Interest expense (included in finance cost)	<u>61,010</u>	<u>62,540</u>
Expenses relating to short-term leases (included in administrative expenses and distribution costs)	<u>92,160</u>	<u>79,245</u>

# Eastern Caribbean Amalgamated Bank Limited

Notes to Financial Statements

September 30, 2024



(expressed in Eastern Caribbean dollars)

## 32 Contingencies

### Contingent liability

There is a matter seeking declaratory and injunctive relief, damages, interest and costs further to the Bank's issuances of Notices to Pay and advertisement of sale of two material properties. The trial commenced in the prior year, and the Bank provided a counter proposal to settle the matter, but to date, this has not been accepted by the claimant.

## 33 Dividends

The financial statements reflect a dividend payment of \$2,335,427 in respect of the 2022 financial year. This comprises 3.5% of par value to the preferred shareholders on record as of September 30, 2022 amounting to \$1,675,427 and a dividend of \$2.75 for each unit of common share to shareholders on record as of September 30, 2022 amounting to \$660,000. Approval of these payments was given at the Twelfth Annual General Meeting held on July 03, 2024.

## 34 Comparatives

The classification of certain items in the financial statements has been changed from the prior year to achieve a clearer or more appropriate presentation. The comparative figures have been similarly reformatted and reclassified in order to achieve comparability with the current year.

## 35 Events after the reporting date

### i) *Dividend proposed and paid:*

For the financial year ended September 30, 2023, the Board of Directors recommended the payment of dividends of 3.5% of par value to the preferred shareholders on record as of September 30, 2023 amounting to \$1,675,427 and a dividend of \$27.45 for each unit of common share to shareholders on record as of September 30, 2023 amounting to \$6,588,000. Approval of these payments was given at the Thirteenth Annual General Meeting held on July 11, 2025.

### ii) *Dividend proposed:*

For the financial year ended September 30, 2024, the Board of Directors recommends the payment of dividends of 3.5% of par value to the preferred shareholders on record as of September 30, 2024 amounting to \$1,675,427 and a dividend of \$45.35 for each unit of common share to shareholders on record as of September 30, 2024 amounting to \$10,884,000. This recommendation will be considered by the shareholders at the Fourteenth Annual General Meeting.

# NOTES

# NOTES



Our future, Our bank



EASTERN CARIBBEAN AMALGAMATED BANK