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**INDEPENDENT AUDITORS' REPORT**

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TO THE SHAREHOLDERS OF  
EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

The accompanying summary financial statements, which comprise the summary statement of financial position as of September 30, 2014, and the summary statements of comprehensive income, cash flows and changes in equity for the year then ended and related note is derived from the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited** for the year ended September 30, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated January 27, 2015.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited**. For a holistic understanding of the Bank's financial position and performance for the year ended September 30, 2014, and of the scope of our audit, the summary financial statements should be read in conjunction with the financial statements and accompanying notes from which the summary financial statements were derived and our audit thereon.

*Management's Responsibility for the Summary of Financial Statements*

Management is responsible for the preparation of a summary of the audited financial statements.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

*Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of **Eastern Caribbean Amalgamated Bank Limited** for the year ended September 30, 2014 are consistent, in all material respects, with those financial statements.



Chartered Accountants  
January 27, 2015  
St. John's, Antigua

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

St. Kitts  
Jefferson Hunte

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EASTERN CARIBBEAN AMALGAMATED BANK

**SUMMARY STATEMENT OF FINANCIAL POSITION**

as of September 30, 2014

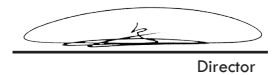
(expressed in Eastern Caribbean dollars)

	2014 \$	2013 \$
<b>ASSETS</b>		
Cash and balances with the Central Bank	35,471,806	38,718,263
Due from banks and other financial institutions	31,659,657	14,091,475
Investment securities	117,856,527	121,650,251
Loans and advances to customers	306,379,115	309,770,300
Other assets	1,443,127	1,124,852
Property, plant and equipment	17,861,206	18,118,253
Intangible assets	2,410,504	3,002,365
<b>TOTAL ASSETS</b>	<b>513,081,942</b>	<b>506,476,029</b>
<b>LIABILITIES</b>		
Customers' deposits	414,159,573	416,380,799
Other liabilities and accrued expenses	8,112,941	4,052,756
Borrowings	4,159,364	5,549,928
<b>TOTAL LIABILITIES</b>	<b>426,431,878</b>	<b>425,983,483</b>
<b>EQUITY</b>		
Preference shares	47,869,339	47,869,339
Common shares	24,000,000	24,000,000
Other reserves	7,369,767	5,983,572
Retained earnings	7,410,958	2,639,635
<b>TOTAL EQUITY</b>	<b>86,650,064</b>	<b>80,492,546</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>513,081,942</b>	<b>506,476,029</b>

Approved by the Board of Directors on January 27, 2015



Director



Director

**SUMMARY STATEMENT OF COMPREHENSIVE INCOME**

For the year ended September 30, 2014

(expressed in Eastern Caribbean dollars)

	2014 \$	2013 \$
<b>OPERATING INCOME</b>		
Interest income	30,317,406	31,720,748
Interest expense	(11,738,019)	(13,740,135)
Net interest income	18,579,387	17,980,613
Loan impairment charges	(320,857)	(945,928)
Net interest income after loan impairment charges	18,258,530	17,034,685
Fee and commission income	7,866,134	7,821,463
Fee and commission expense	(3,240,244)	(2,981,608)
Net fee income	4,625,890	4,839,855
Other income	31,464	16,770
<b>NET INTEREST, FEE, COMMISSION AND OTHER INCOME</b>	<b>22,915,884</b>	<b>21,891,310</b>
<b>OPERATING EXPENSES</b>		
Personnel expenses	8,912,978	8,602,227
General and administrative expenses	5,812,229	5,762,796
Amortization of intangible assets	864,365	857,598
Depreciation of property, plant and equipment	1,168,794	1,161,748
<b>TOTAL OPERATING EXPENSES</b>	<b>16,758,366</b>	<b>16,384,369</b>
<b>PROFIT FOR THE YEAR</b>	<b>6,157,518</b>	<b>5,506,941</b>
Other comprehensive income	-	-
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,157,518</b>	<b>5,506,941</b>

# EASTERN CARIBBEAN AMALGAMATED BANK LIMITED

## SUMMARY STATEMENT OF CASH FLOWS

For the year ended September 30, 2014

(expressed in Eastern Caribbean dollars)

	2014 \$	2013 \$
<b>Cash flows from operating activities</b>		
Operating profit for the year	6,157,518	5,506,941
Adjustments for items not affecting cash:		
Interest income	(30,317,406)	(31,720,748)
Interest expense	11,738,019	13,740,135
Depreciation	1,168,794	1,161,748
Amortization of intangible assets	864,365	857,598
Provision for loan impairment charges	320,857	945,928
Provision for impairment of other assets	-	17,820
Other non-cash items	(16,536)	1,815
	<u>(10,084,389)</u>	<u>(9,488,763)</u>
<b>Cash flows used in operating activities</b>		
<b>Net (increase)/decrease in operating assets</b>		
Loans and advances to customers	4,869,316	(936,820)
Mandatory deposits with the Central Bank	3,931	(2,251,320)
Other assets	(318,275)	2,306,149
Restricted deposits	(803,250)	(500,000)
<b>Net increase/(decrease) in operating liabilities</b>		
Deposits from customers	(1,149,055)	19,274,711
Other liabilities and accrued expenses	4,060,185	(209,981)
	<u>(3,421,537)</u>	<u>8,193,976</u>
<b>Cash (used in) generated from operations</b>		
Interest received	28,620,989	30,457,512
Interest paid	(12,810,189)	(12,890,389)
	<u>12,389,263</u>	<u>25,761,099</u>
<b>Net cash from operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(911,477)	(875,127)
Purchase of investment securities, net of disposals	(13,673,710)	(19,905,972)
Purchase of intangible assets	(272,504)	(207,600)
	<u>(14,857,691)</u>	<u>(20,988,699)</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(1,390,564)	(6,178,768)
	<u>(1,390,564)</u>	<u>(6,178,768)</u>
<b>Net cash used in financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	(3,858,992)	(1,406,368)
<b>Exchange gains (losses) on cash and cash equivalents</b>	16,536	(1,815)
<b>Cash and equivalents at beginning of year</b>	<u>94,434,343</u>	<u>95,842,526</u>
<b>Cash and cash equivalents at end of year</b>	<u>90,591,887</u>	<u>94,434,343</u>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2014

(expressed in Eastern Caribbean dollars)

	Preference shares	Common shares	Other reserves	Retained earnings	Total
	\$	\$	\$	\$	\$
<b>Balance at September 30, 2012</b>	47,869,339	24,000,000	4,781,499	(1,665,233)	74,985,605
Comprehensive income for the year	-	-	-	5,506,941	5,506,941
Reserve for loan loss provision	-	-	(1,035,067)	1,035,067	-
Reserve for interest recognised on impaired loans	-	-	1,071,825	(1,071,825)	-
Statutory reserve	-	-	1,165,315	(1,165,315)	-
<b>Balance at September 30, 2013</b>	<u>47,869,339</u>	<u>24,000,000</u>	<u>5,983,572</u>	<u>2,639,635</u>	<u>80,492,546</u>
Comprehensive income for the year	-	-	-	6,157,518	6,157,518
Reserve for loan loss provision	-	-	342,763	(342,763)	-
Reserve for interest recognised on impaired loans	-	-	(253,397)	253,397	-
Statutory reserve	-	-	1,296,829	(1,296,829)	-
<b>Balance at September 30, 2014</b>	<u>47,869,339</u>	<u>24,000,000</u>	<u>7,369,767</u>	<u>7,410,958</u>	<u>86,650,064</u>

## NOTES TO SUMMARY FINANCIAL STATEMENTS

September 30, 2014

(expressed in Eastern Caribbean dollars)

### 1. BASIS OF PREPARATION

These summary financial statements are derived from the audited financial statements of Eastern Caribbean Amalgamated Bank Limited for the year ended September 30, 2014.