



INDEPENDENT AUDITOR'S REPORT

Report of the Independent Auditor on the Summary Consolidated Financial Statements To the Shareholders of East Caribbean Financial Holding Company Limited

Our opinion

In our opinion, the accompanying summary consolidated financial statements of East Caribbean Financial Holding Company Limited (the Company) and its subsidiary (together "the Group"), are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 1.

The summary consolidated financial statements The Group's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2022 comprise:

- the summary consolidated statement of financial position as at December 31, 2022;
- the summary consolidated statement of profit or loss for the year then ended;
- the summary consolidated statement of other comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the consolidated summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' report thereon.

The audited consolidated financial statements and our report thereon

We expressed a qualified audit opinion on the audited financial statements in our report dated May 26, 2023. The basis of our qualified opinion was that the Group's investment in East Caribbean Amalgamated Bank Limited (ECAB), an associate accounted for by the equity method, is carried at \$33,112,000 on the summary consolidated statement of financial position as at December 31, 2022, and the Group's share of ECAB's net income of \$3,759,000 and comprehensive income of \$189,000 are included in the summary consolidated

statements of profit or loss and other comprehensive income, respectively, for the year then ended. As disclosed in Note 16 of the Group's consolidated financial statements, the Group also recognised an impairment of its investment in ECAB of \$3,207,000 in the summary consolidated statement of profit or loss for the year ended December 31, 2022.

The carrying amount of the Group's investment in ECAB as at December 31, 2022, the Group's share of net income and comprehensive income, the impairment loss for the year and related note disclosures were derived from ECAB's unaudited management accounts. We were unable to obtain sufficient appropriate audit evidence because audited financial information was not available as at our opinion date. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

That report also includes:

- The communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

PricewaterhouseCoopers

Chartered Accountants
Castries, St. Lucia
May 26, 2023

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2022
(Expressed in Eastern Caribbean dollars)

	2022	2021
	(\$'000)	(Restated) (\$'000)
Net interest income	53,419	45,751
Other operating income	62,498	53,911
Impairment recovery/(losses)	11,029	(5,703)
Operating expenses	(79,027)	(69,637)
Share of profit of associates	1,133	1,172
Dividends on preference shares	(291)	(291)
Profit for the year before income tax	48,761	25,203
Income tax expense	(7,096)	(2,326)
Profit for the year	41,665	22,877
- basic	1.70	0.94
- diluted	1.65	0.90

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2022
(Expressed in Eastern Caribbean dollars)

	2022	2021
	(\$'000)	(Restated) (\$'000)
Profit for the year	41,665	22,877
Other comprehensive (loss)/income		
Unrealised loss on investments	(49,989)	(10,616)
Re-measurement loss on defined benefit pension plan (net of tax)	(4,294)	(441)
Total comprehensive (loss)/income for the year	(12,618)	11,820

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2022
(Expressed in Eastern Caribbean dollars)

	2022	2021
	(\$'000)	(Restated) (\$'000)
Net cash from operating activities	51,362	113,699
Net cash used in investing activities	(178,575)	(163,173)
Net cash used in financing activities	(13,235)	(7,645)
Decrease in cash and cash equivalents	(140,448)	(57,119)
Cash and cash equivalents at beginning of year	374,605	431,724
Cash and cash equivalents at end of year	234,157	374,605

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022
(Expressed in Eastern Caribbean dollars)

	2022	Restated December 31, 2021	Restated January 1, 2021
	(\$'000)	\$'000	\$'000
Assets			
Cash, balances with Central Bank and deposits with other banks and non-bank financial institutions	498,916	530,439	577,104
Investment securities	1,000,701	881,972	748,278
Loans and advances to customers	860,980	803,904	799,318
Property and equipment	68,148	64,254	60,185
Investment properties	31,748	28,019	30,987
Other assets	191,878	146,720	132,828
Total Assets	2,652,371	2,455,308	2,348,700
Liabilities			
Due to customers, deposits from banks and repurchase agreements	2,245,263	2,053,624	1,945,198
Borrowings	39,246	52,178	60,008
Other Liabilities	93,134	62,181	68,019
Total Liabilities	2,377,643	2,167,983	2,073,255
Equity			
Share capital	170,081	170,081	170,081
Reserves	104,647	117,244	105,394
Total Equity	274,728	287,325	275,475
Total Liabilities and Equity	2,652,371	2,455,308	2,348,700

Approved by the Board of Directors on May 23rd 2023

Everette McIntyre

Director

[Signature]

Director

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2022
(Expressed in Eastern Caribbean dollars)

	Ordinary shares \$'000	Reserves \$'000	Total equity \$'000
Balance at January 1, 2021 as previously stated	170,081	95,348	265,429
Adjustment for revaluation of property	-	10,046	10,046
Balance at January 1, 2021 (restated)	170,081	105,394	275,475
Total comprehensive income for the year	-	11,820	11,820
Contributions to student loan guarantee fund	-	30	30
Balance at December 31, 2021 (restated)	170,081	117,244	287,325
Balance at January 1, 2022	170,081	117,244	287,325
Total comprehensive loss for the year	-	(12,618)	(12,618)
Contributions to student loan guarantee fund	-	21	21
Balance at December 31, 2022	170,081	104,647	274,728

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of presentation

The consolidated audited financial statements are prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of profit or loss and

other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of East Caribbean Financial Holding Company Limited and its subsidiary for the year ended December 31, 2022.