

EAST CARIBBEAN FINANCIAL HOLDING COMPANY LIMITED
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2016 (expressed in Eastern Caribbean dollars)



REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of East Caribbean Financial Holding Company Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2016, the summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended and related notes, are derived from the complete audited consolidated financial statements of East Caribbean Financial Holding Company Limited ('Parent') and its subsidiaries ('the Group') for the year ended 31 December 2016.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

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

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 March 2017. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Note 1.

Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

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 (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young
Castries,
ST.LUCIA

23 March 2017

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT:

	Dec 31 2016 \$'000	Dec 31 2015 \$'000
Assets		
Cash, balances with Central Bank and due from banks	603,596	1,054,836
Investment Securities	576,850	807,389
Loans and receivables	1,484,646	1,677,612
Property and equipment	133,386	138,981
Investment properties	9,328	10,643
Other assets	100,661	84,463
Asset of disposal group held for sale	740,644	-
Total assets	3,649,111	3,773,924
Liabilities		
Due to customers	2,541,626	3,332,350
Borrowings	139,710	116,646
Other liabilities	98,126	73,254
Liabilities of disposal group held for sale	724,067	-
Total liabilities	3,503,529	3,522,250
Equity		
Share capital	170,081	170,081
Reserves	(76,357)	30,683
Attributable to the Company's equity holders	93,724	200,764
Non – controlling interests	51,858	50,910
Total equity	145,582	251,674
Total liabilities and equity	3,649,111	3,773,924

Approved by the Board of Directors on 23 March 2017:

Director

Director

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary shares \$'000	Reserves \$'000	Total \$'000	Non-con- trolling interests \$'000	Total equity \$'000
Balance at 1 January 2015	170,081	50,861	220,942	48,739	269,681
Total comprehensive loss for the year	-	(16,758)	(16,758)	2,906	(13,852)
Transfers to reserves and net capital contributions	-	(3,420)	(3,420)	(735)	(4,155)
Balance at 31 December 2015	170,081	30,683	200,764	50,910	251,674
Balance at 1 January 2016	170,081	30,683	200,764	50,910	251,674
Total comprehensive loss for the year	-	(106,664)	(106,664)	2,369	(104,295)
Transfers to reserves and net capital contributions	-	(376)	(376)	(1,421)	(1,797)
Balance at 31 December 2016	170,081	(76,357)	93,724	51,858	145,582

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	2016 \$'000	2015 \$'000
Continuing operations		
Net interest income	73,736	80,335
Other operating income	62,285	50,187
Impairment losses	(135,700)	(43,688)
Operating expenses	(99,045)	(98,720)
Share of profit in associates	3,915	2,231
Dividends on preference shares	(291)	(291)
Loss for the year before income tax	(95,100)	(9,946)
Income tax expense	(8,425)	(4,045)
Loss for the year from continuing operations	(103,525)	(13,991)
Discontinued operation		
Profit from discontinued operations	7,184	5,334
Provision for loss on disposal of subsidiary	(15,453)	-
Loss for the year	(111,794)	(8,657)
Attributable to:		
Equity holders of the Company	(114,213)	(11,528)
- Non-controlling interests	2,419	2,871
Loss for the year	(111,794)	(8,657)
Loss per share from continuing operations for earnings attributable to the equity holders of the Company during the year		
- basic	(4.33)	(0.69)
- diluted	(4.19)	(0.67)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016 \$'000	2015 \$'000
Loss for the year	(111,794)	(8,657)
Other comprehensive loss		
Unrealised gain/(loss) on available for sale investments	6,905	(2,256)
Re-measurement gain/(loss) on defined benefit pension plan (net of tax)	594	(2,939)
Total comprehensive loss for the year	(104,295)	(13,852)
Total comprehensive loss attributable to:		
Equity holders of the company	(106,664)	(16,758)
Non-controlling interests	2,369	2,906
Total comprehensive loss for the year	(104,295)	(13,852)

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 \$'000	2015 \$'000
Net cash from operating activities	19,226	185,904
Net cash used in investing activities	(138,646)	(133,392)
Net cash generated from/(used in) financing activities	21,267	(40,974)
(Decrease)/increase in cash and cash equivalents	(98,153)	11,538
Effect of exchange rates on investments	4,454	6,503
Cash and cash equivalents at beginning of year	934,173	916,132
Cash and cash equivalents at end of year	840,474	934,173

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Note 1. Basis of presentation

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 income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary financial statements are derived from, and should be read in conjunction with the audited consolidated financial statements of East Caribbean Financial Holding Company Limited and its subsidiaries for the year ended 31 December 2016.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2016 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimate and judgment as disclosed in "Note 4" of the 31 December 2016 audited financial statements, have also remained unchanged.