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East Caribbean Financial Holding Company Limited

**SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2019

(Expressed in Eastern Caribbean Dollars)

**INDEPENDENT AUDITORS' REPORT**

Report of the Independent Auditor on the Summary Consolidated 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 2019, the summary consolidated statement of profit or loss, 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 subsidiary ("the Group") for the year ended 31 December 2019.

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 26 March 2020. 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.

Castries,  
ST.LUCIA  
26 March 2020

**SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
<b>Assets</b>		
Cash, balances with Central Bank and due from banks	442,566	424,636
Investment securities	737,213	712,392
Loans and receivables	838,730	849,215
Property and equipment	48,639	46,453
Investment properties	31,955	31,955
Other assets	131,618	122,571
<b>Total assets</b>	<b>2,230,721</b>	<b>2,187,222</b>
<b>Liabilities</b>		
Due to customers	1,870,903	1,885,121
Borrowings	63,844	71,519
Other liabilities	45,146	40,661
<b>Total liabilities</b>	<b>1,979,893</b>	<b>1,997,301</b>
<b>Equity</b>		
Share capital	170,081	170,081
Reserves	80,747	19,840
<b>Total equity</b>	<b>250,828</b>	<b>189,921</b>
<b>Total liabilities and equity</b>	<b>2,230,721</b>	<b>2,187,222</b>

Approved by the Board of Directors on:

Director

Director

**SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended 31 December 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
<b>Continuing operations</b>		
Net interest income	59,364	56,238
Other operating income	65,261	57,173
Impairment losses	(6,470)	(8,920)
Operating expenses	(68,932)	(64,303)
Share of profit of associates	7,318	5,424
Dividends on preference shares	(291)	(291)
<b>Profit for the year before income tax</b>	<b>56,250</b>	<b>45,321</b>
Income tax expense	(1,259)	(355)
<b>Profit for the year</b>	<b>54,991</b>	<b>44,966</b>
- basic	2.25	1.84
- diluted	2.16	1.78

**SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
Profit for the year	54,991	44,966
Other comprehensive income		
Unrealised gain/(loss) on investments	13,914	(7,242)
Re-measurement gain/(loss) on defined benefit pension plan (net of tax)	1,886	(3,835)
<b>Total comprehensive income for the year</b>	<b>70,791</b>	<b>33,889</b>

**SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019

(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
Net cash used in operating activities	(38,237)	67,908
Net cash used in investing activities	(17,637)	(143,655)
Net cash used in financing activities	(15,515)	(17,683)
<b>Decrease in cash and cash equivalents</b>	<b>(71,389)</b>	<b>(93,430)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>257,615</b>	<b>351,045</b>
<b>Cash and cash equivalents at end of year</b>	<b>186,226</b>	<b>257,615</b>

**SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2019

(Expressed in Eastern Caribbean dollars)

	Ordinary shares \$'000	Reserves \$'000	Total equity \$'000
<b>Balance at 1 January 2018</b>	170,081	(21,508)	148,573
Changes on adoption of IFRS 9	-	17,480	17,480
Total comprehensive income for the year	-	33,889	33,889
Contributions withdrawn	-	(10,021)	(10,021)
<b>Balance at 31 December 2018</b>	<b>170,081</b>	<b>19,840</b>	<b>189,921</b>
<b>Balance at 1 January 2019</b>	<b>170,081</b>	<b>19,840</b>	<b>189,921</b>
Adjustment for share of Associate's IFRS 9 impact	-	(2,625)	(2,625)
Total comprehensive income for the year	-	70,791	70,791
Contributions	-	81	81
Dividends paid	-	(7,340)	(7,340)
<b>Balance at 31 December 2019</b>	<b>170,081</b>	<b>80,747</b>	<b>250,828</b>

**NOTES TO THE SUMMARY CONSOLIDATED 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 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 31 December 2019.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2019 audited consolidated financial statements. IFRS 16 was implemented in 2019 but did not require a restatement of the prior year figures. Any other new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Group. Some prior year figures have however reclassified to meet the current year's presentation. The areas of critical accounting estimates and judgments as disclosed in "Note 4" of the 31 December 2019 audited consolidated financial statements, have also remained unchanged.



**INDEPENDENT AUDITORS' REPORT**

Report of the Independent Auditor on the Summary Financial Statements  
To the Shareholders of Bank of St.Lucia Limited

**Opinion**

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2019, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of Bank of St.Lucia Limited for the year ended 31 December 2019.

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

**Summary Financial Statements**

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

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 March 2020. The audited

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

**Responsibilities of Management for the Summary Financial Statements**

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

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

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited 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.

**KPMG**

Castries,  
ST.LUCIA  
26 March 2020

**SUMMARY STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019  
(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
<b>Assets</b>		
Cash, balances with Central Bank and due from banks	442,566	424,636
Investment securities	738,006	713,185
Loans and receivables	838,730	849,215
Property and equipment	48,639	46,452
Investment properties	31,955	31,955
Due from related parties	78,033	82,015
Other assets	76,339	71,567
<b>Total assets</b>	<b>2,254,268</b>	<b>2,219,025</b>
<b>Liabilities</b>		
Due to customers and repurchase agreements	1,873,910	1,888,128
Borrowings	63,844	71,519
Other liabilities	45,145	40,661
<b>Total liabilities</b>	<b>1,982,899</b>	<b>2,000,308</b>
<b>Equity</b>		
Share capital	265,103	265,103
Reserves	6,266	(46,386)
<b>Total equity</b>	<b>271,369</b>	<b>218,717</b>
<b>Total liabilities and equity</b>	<b>2,254,268</b>	<b>2,219,025</b>

Approved by the Board of Directors on:

Director

Director

**SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2019  
(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
<b>Net interest income</b>	<b>59,364</b>	56,094
<b>Other operating income</b>	<b>65,525</b>	57,449
<b>Impairment losses</b>	<b>(6,470)</b>	(8,920)
<b>Operating expenses</b>	<b>(68,932)</b>	(64,303)
<b>Dividends on preference shares</b>	<b>(291)</b>	(291)
<b>Profit for the year before income tax</b>	<b>49,196</b>	40,029
<b>Income tax expense</b>	<b>(1,259)</b>	(355)
<b>Profit for the year</b>	<b>47,937</b>	39,674
<b>Other comprehensive income:</b>		
<b>Unrealised gain/(loss) on investments</b>	<b>12,860</b>	(7,841)
<b>Re-measurement gain/(loss) on defined benefit pension plan (net of tax)</b>	<b>1,886</b>	(3,835)
<b>Total comprehensive income for the year</b>	<b>62,683</b>	27,998

**SUMMARY STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019  
(Expressed in Eastern Caribbean dollars)

	2019 \$'000	2018 \$'000
Net cash used in operating activities	(35,414)	64,978
Net cash used in investing activities	(17,687)	(150,225)
Net cash used in financing activities	(18,288)	(7,662)
<b>Decrease in cash and cash equivalents</b>	<b>(71,389)</b>	(92,909)
<b>Cash and cash equivalents at beginning of year</b>	<b>257,615</b>	350,524
<b>Cash and cash equivalents at end of year</b>	<b>186,226</b>	257,615

**SUMMARY STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2019  
(Expressed in Eastern Caribbean dollars)

	Share Capital \$'000	Reserves \$'000	Total \$'000
<b>Balance at 1 January 2018</b>	265,103	(90,913)	174,190
Changes on adoption of IFRS 9	-	16,529	16,529
Total comprehensive income for the year	-	27,998	27,998
<b>Balance at 31 December 2018</b>	265,103	(46,386)	218,717
<b>Balance at 1 January 2019</b>	<b>265,103</b>	<b>(46,386)</b>	<b>218,717</b>
Total comprehensive income for the year	-	62,683	62,683
Dividends paid	-	(10,031)	(10,031)
<b>Balance at 31 December 2019</b>	<b>265,103</b>	<b>6,266</b>	<b>271,369</b>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**Note 1. Basis of presentation**

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Bank of Saint Lucia Limited for the year ended 31 December 2019.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2019 audited financial statements. IFRS 16 was implemented in 2019. Any other new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Bank. The areas of critical accounting estimates and judgments as disclosed in "Note 4" of the 31 December 2019 audited financial statements, have also remained unchanged.