

**Schedule 2  
FORM ECSRC – OR**

(Select One)

**QUARTERLY FINANCIAL REPORT** for the period ended March 2018  
Pursuant to Section 98(2) of the Securities Act, 2001

**OR**

**TRANSITION REPORT**  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Pursuant to Section 98(2) of the Securities Act, 2001  
*(Applicable where there is a change in reporting issuer's financial year)*

Issuer Registration Number: ECFH 17102016LC

East Caribbean Financial Holding Company Limited

(Exact name of reporting issuer as specified in its charter)

Saint Lucia

(Territory or jurisdiction of incorporation)

No. 1 Bridge Street, Castries St. Lucia

(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): 758-456-6000

Fax number: 758-456-6702

Email address: ecfh@candw.lc

\_\_\_\_\_  
(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. \_\_\_\_\_

CLASS	NUMBER
Preference Shares	830,000
Ordinary Shares	24, 465,589

**SIGNATURES**

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

**Bernard La Corbiniere**

*B La Corbiniere*

Signature

*30/04/18*

Date

Name of Director:

**Andre Chastanet**

Signature

*30/04/18*

Date

Name of Chief Financial Officer:

**Ketha Auguste**

*K Auguste*

Signature

*30/04/18*

Date

## INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

### 1. **Financial Statements**

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
- (b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

### 2. **Management's Discussion and Analysis of Financial Condition and Results of Operation.**

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures

taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

### *General Discussion and Analysis of Financial Condition*

The ECFH Group recorded pre-tax income of \$7.1M for the First Quarter of 2018. Significant focus remains on obtaining maximum recovery on the previously provisioned and written off loans portfolio of its sole subsidiary- Bank of Saint Lucia Limited. To this end significant progress has been made in the previous year and for the year to date on the disposal of collateral securing the loans. One initiative towards the recovery efforts have been the outsourcing of a significant portion of written off loans. There is also the prospect to sell some of the written off loans to the newly formed Asset Management Company. Management is also directing attention towards ensuring collection of payments on performing loans to ensure that transfers to the non-performing classification can be minimised in the future and towards ensuring that there is clear guidance on the levels of risk acceptable to the Group in its future lending activities.

Competition in the local market continues to intensify, placing a downward pressure on loan growth as well as the average return on the loans portfolio. The Bank however benefited from a significant reduction in cost of funds arising from the reducing deposit interest rates in the domestic market as well as a change in the deposit mix.

The Group is in the final stages of preparation for the mandatory adoption of International Financial Reporting Standard No.9 (IFRS9) which is expected to be implemented by the half year 2018. IFRS 9 changes the way financial instruments are classified and measured and allows for the recognition of expected impairment losses on financial instruments. The Group does not expect a material impact on the statement of financial position from the adoption of IFRS 9.

The Bank's Tier 1 and total capital requirements were maintained well above the statutory benchmark at 11.3% and 17.8% respectively.

Earlier this year the Group unveiled its three year strategic plan for the period 2018-2019 under the mantra "Repositioning for the Future" and it remains steadfast in delivering the key strategic objectives for the year including, (1) Return to profitability; (2) Enhancing customer value; (3) Operational intelligence and (4) Intangible asset development.

### Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

#### *Discussion of Liquidity and Capital Resources*

Liquidity levels within the Group continues the upward trend, driven by increased deposits levels and low loan growth, in addition to excess liquidity arising from the proceeds from the disposals of Bank of Saint Vincent and the Grenadines Ltd in June 2017 and Bank of St.Lucia International in March 2017. Some of the excess liquidity have been utilised via placements on short term certificate of deposits and investments on the regional and international markets. A portfolio of readily traded instruments is maintained to ensure that these investments can be readily liquidated should adverse changes in market conditions arise. The investments are regularly monitored to ensure they adhere to the investment guidelines of the Group.

### Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

Off-Balance Sheet assets under management as at March 31st 2018 amounted to \$75.1 million. This comprised investment securities managed on behalf of clients. Under such arrangements, BOSL advises the client in the formulation of an investment policy and is given a discretionary investment management mandate to act in accordance with the approved policy. It is important to note that although BOSL has a fiduciary responsibility to these clients, there are adequate disclaimers and indemnifications against possible claims related to investment losses that may arise.

More than two thirds of these off-balance sheet funds comprise company retirement funds while the balance comprises statutory reserves of insurance companies and other corporate entities. Investments include all the major asset classes of fixed income, equity and money market facilities with at least 90% invested in fixed income. In addition, there is a predominance of investments in Commonwealth Caribbean sovereign and corporate entities to as much as 80% in keeping with existing restrictions in legislation governing the investment of pension and insurance assets.

## Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls.

## *Overview of Results of Operations*

The Group's recorded pre tax profit of \$7M was a reflection of the performance of its sole subsidiary Bank of St. Lucia. BOSL's pre tax profit was 11% ahead of the prior year. This was largely attributed to an 11% improvement in net interest income from growth in the investment portfolio and a general reduction in cost of funds by 16%. On the downside interest income on loans declined by 4% due to the tightening of the portfolio and low loan rate environment. Loan recovery income has surpassed the similar period last year by 162%. Foreign exchange income have significantly fallen short of last year by 28% largely due to a reduction in euro flows. The increase in fee and commission income of \$0.5 million (9%) above the prior year is driven by merchant and brokerage activity.

The increase in loan loss provision expense of \$1.8 million or 38% above March 2017, represents an accrual as a prudent measure in anticipation of any loan loss adjustments in the year. The provisioning levels will be adjusted in line with IFRS 9 for the half year reporting. For the year to date net movements to Non performing status was \$3.9 million.

The Bank continues to implement strategies to contain operating costs, however the 1.6% (\$0.22M) increase in total operating cost year on year, was attributed to additional software licenses and accruals made towards strategic initiatives for 2018.

The Group held total assets of \$2.15 billion as at March 31, 2018, a decrease of \$892 million or 29% over that of 2017. This decline in assets reflects the impact of the disposal of the Bank of St.Vincent and the Grenadines Limited in June 2017. The total assets of Bank of St.Lucia limited stood at \$2.18 billion as at March 31st, 2018, a growth of \$82 million or 4% from March 31, 2017. This was reflective in an \$82 million growth in the investments portfolio as the Bank deployed some of its excess liquidity. Investments were placed in accordance with the Bank's investment policy guidelines and the average portfolio rating and exposures were maintained within acceptable limits. The growth in the investments portfolio contributed to the decline in liquid assets of \$38 million or 8%, however the ratio of liquid assets to total assets remained largely unchanged from March 2017. The remainder of the growth in investments was funded from proceeds on the sale of subsidiaries. The sectorial concentration of the investments portfolio was largely made up of: 35% in the financial sector, 31% in industrial, 24% in governments and the remainder dispersed among other sectors.

The loans portfolio declined by \$24 million or 2.4%, largely due to the write off of some non-performing loans in accordance with the Bank's write off policy towards the final quarter of 2017. The Bank also recorded negative growth in the productive portfolio reflective of low loan demand and competitive environment. The total provisions for loans losses was down 3% from March 2018, however the levels of provisions to non-performing loans increased from 57% in March 2017 to 61% at the first quarter of 2018. In an effort to maintain prudent provisioning levels over the allowable amount based on the International Accounting Standards, the Bank created a contingency reserve fund to set aside a portion of profits as a non-distributable reserve. The Contingency Reserve Fund was first funded in December 2017 and will continue to be funded from profits on an annual basis until the loan loss provisions and the contingency reserve represent 100% of non-performing loans.

The Group transferred \$30M from Property Plant and Equipment to Investment Properties in accordance with International Accounting Standard (IAS 40) as one of its properties became fully leased in an effort to make productive use of excess assets.

Customer deposits in BOSL grew by \$8 million or 0.44% year on year. Share capital increased by \$66.6 million as a strategic move by the holding company to inject the proceeds from the sale of the two subsidiaries in 2017.



### 3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

The main risks to which the Bank is exposed include credit risk, operational risk, reputational, liquidity risk, market risk, and foreign exchange risk.

#### Credit Risk

Credit Risk remained high over the quarter. The Bank continued efforts towards enhancing the quality of the loans portfolio. International best practices were employed in the assessment of all credits coupled with comprehensive credit risk reviews on lending over a stipulated dollar value. During the quarter, the Bank assessed limits to the various sectors to mitigate any concentration risk, to ensure general compliance with approved credit risk management guidelines.

#### Operational Risk

Operational risk remained medium over the quarter. To minimize the potential impact of inherent risks, the Bank continued to adopt a proactive approach through the use of effective risk management tools and techniques. Additionally, two staff members of the Risk Management and Compliance Services of the Bank received training and certification in Enterprise Risk Management and Business Continuity Management at a seminar organized by the Eastern Caribbean Central Bank in the first quarter of 2017. The Bank complies with all Anti Money Laundering legislation and other related laws, in all jurisdictions in which it operates.

#### Liquidity Risk

Liquidity risk remained medium over the quarter. The Bank's liquidity risk is actively monitored by the Asset-Liability Committee. Active liquidity management ensures that regulatory reserve and liquidity requirements are always met and that all financial requests and obligations are met as they become due.

Remaining risk remain medium to low and stable.

**4. Legal Proceedings.**

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

There were no legal proceedings during the quarter.

**5. Changes in Securities and Use of Proceeds.**

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There were no changes in securities and use of proceeds during the quarter.

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

\_\_\_\_\_

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

\_\_\_\_\_

- Name and address of underwriter(s)

\_\_\_\_\_

\_\_\_\_\_

- Amount of expenses incurred in connection with the offer \_\_\_\_\_

- Net proceeds of the issue and a schedule of its use

\_\_\_\_\_

\_\_\_\_\_

- Payments to associated persons and the purpose for such payments

\_\_\_\_\_

\_\_\_\_\_

(c) Report any working capital restrictions and other limitations upon the payment of dividends.

There were no working capital restrictions and other limitations upon the payment of dividends during the quarter.

**6. Defaults upon Senior Securities.**

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

There were no defaults upon Senior Securities.

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Not Applicable.

**7. Submission of Matters to a Vote of Security Holders.**

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

There were no matters to a Vote of Security Holders through the solicitation of proxies submitted during the quarter.

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

Not Applicable

- (c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

Not Applicable

- (d) A description of the terms of any settlement between the registrant and any other participant.

There were no settlement between the registrant and any other participant.

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

Not Applicable.

**8. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

Not Applicable.

**EAST CARIBBEAN FINANCIAL HOLDING COMPANY**

**Unaudited Consolidated Balance Sheet**

**As at March 31st, 2018**

*(Expressed in Eastern Caribbean Dollars)*

	Unaudited Feb-18	Unaudited Mar-18	Audited Mar-17	Prior Year Variance %	Budget Variance %	Audited Actual Dec-17
<b>Assets</b>						
Cash and balances with Central Bank	345,611,099	314,998,051	378,145,919	-17%	-22%	347,950,065
Due from other banks	114,471,834	112,218,973	353,063,463	-68%	-66%	96,632,024
Deposits with non-bank financial institutions	3,422,973	18,022,290	12,111,397	49%	95%	5,412,488
Treasury bills	15,044,395	15,102,828	33,708,084	-55%	-58%	23,811,419
Loans & Advances to customers - Productive	806,735,828	800,051,454	1,370,419,878	-42%	-42%	807,980,144
Loans and Advances Nonproductive	166,060,526	165,801,118	229,652,122	-28%	-25%	161,877,336
Provision for loan losses	(104,350,560)	(100,739,255)	(117,355,485)	-14%	-15%	(95,615,255)
Unearned interest on discount loans	(191,130)	(191,108)	(191,190)	0%	0%	(191,185)
Investments held to maturity	134,354,472	137,535,099	140,642,572	-2%	-9%	120,048,516
available for sale	428,797,321	435,516,451	389,471,511	12%	17%	410,395,275
Investments held for trading	19,702,347	19,850,310	21,292,221	-7%	-8%	19,641,853
Pledged assets	10,402,503	10,402,503	10,547,943	-1%	-18%	10,710,269
Investment in associated undertaking	35,890,801	49,780,540	17,703,640	181%	60%	49,780,540
Property plant and equipment	46,468,542	46,707,763	132,922,294	-65%	-65%	45,885,005
Intangible Asset arising on Acquisition	0	0	3,948,405	-100%	-100%	1,093,176
Loan to related parties	0	0	0	0%	0%	0
Due from related parties	0	0	0	0%	0%	0
Other assets	58,936,121	64,515,286	37,968,284	70%	68%	55,336,319
Investment Properties	36,498,258	37,454,500	10,157,248	269%	326%	37,454,500
Income tax recoverable	5,728,380	4,648,530	3,493,582	33%	17%	5,351,411
Deferred tax asset	0	819,893	0	0%	0%	819,894
Retirement Benefit Asset	10,626,569	13,614,949	10,626,569	28%	72%	13,614,949
<b>Total assets</b>	<b>2,134,210,279</b>	<b>2,146,110,175</b>	<b>3,038,328,458</b>	<b>-29.4%</b>	<b>-29%</b>	<b>2,117,988,743</b>
<b>Liabilities</b>						
Due to customers	1,844,503,860	1,826,564,208	2,546,886,767	-28.3%	-29%	1,799,587,903
Due to banks	43,197,660	45,592,731	91,435,700	-50%	-52%	43,297,719
Other fund raising instruments	13,735,365	13,752,503	13,910,367	-1%	-10%	13,702,747
Borrowings	75,908,321	76,295,341	134,416,745	-43%	-42%	79,181,457
Other Liabilities	26,214,029	28,798,345	90,547,199	-68%	-8%	29,206,269
Due to Related Parties	0	0	0	0%	-100%	0
Dividends Payable	275,675	275,675	566,415	-51%	0%	290,500
Preference Shares	4,150,000	4,150,000	4,150,000	0%	0%	4,150,000
Income Taxes Payable	0	0	0	0%	-100%	0
Deferred Tax Liabilities	0	0	297,528	-100%	-100%	0
<b>Total Liabilities</b>	<b>2,007,984,910</b>	<b>1,995,428,803</b>	<b>2,882,210,721</b>	<b>-31%</b>	<b>-31%</b>	<b>1,969,416,595</b>
<b>Shareholders' Equity</b>						
Share capital	170,081,060	170,081,060	176,081,060	-3%	0%	170,081,060
Contributed capital	4,117,549	4,117,549	4,117,549	268%	0%	4,117,549
Unrealized gain/loss on Investments	148,570	(2,700,485)	3,805,750	-171%	-290%	1,249,622
Revaluation reserves	13,855,322	13,855,322	13,855,322	0%	0%	13,855,322
Reserves	171,225,145	184,430,324	163,566,708	13%	26%	184,420,027
Retained Earnings	(237,345,943)	(225,151,432)	(259,997,670)	-13%	-15%	(225,151,432)
Profit for the period	4,143,665	6,049,034	4,841,451	25%	-33%	0
<b>Parent's Shareholders' Equity</b>	<b>126,225,368</b>	<b>150,681,372</b>	<b>103,270,170</b>	<b>46%</b>	<b>94%</b>	<b>148,572,148</b>
Minority Interest	0	-	52,847,567	-100%	-100%	0
<b>Total Shareholders' Equity</b>	<b>126,225,368</b>	<b>150,681,372</b>	<b>156,117,737</b>	<b>-3%</b>	<b>15%</b>	<b>148,572,148</b>
<b>Total Equity and Liabilities</b>	<b>2,134,210,279</b>	<b>2,146,110,175</b>	<b>3,038,328,458</b>	<b>-29%</b>	<b>-29%</b>	<b>2,117,988,743</b>

**EAST CARIBBEAN FINANCIAL HOLDING COMPANY**

**Unaudited Consolidated Income Statement**

**For period ended March 31st, 2018**

*(expressed in Eastern Caribbean Dollars)*

	Month					Year to Date					Audited YTD Actual Dec-17
	Unaudited Actual Feb-18	Actual Mar-18	Actual Mar-17	Prior Year Variance %	Budget Variance %	Unaudited YTD Actual Feb-18	Unaudited YTD Actual Mar-18	Unaudited YTD Prior Yr Mar-17	Prior Year Variance %	Budget Variance %	
	Interest income on loans & advances	4,770,944	5,187,564	9,331,788	-44%	-89%	9,986,079	15,173,643	27,224,091	-44%	
Interest income investments and bank deposits	1,778,436	1,847,495	289,436	538%	-80%	3,558,877	5,406,372	5,493,152	-2%	-40%	19,519,711
Interest expense	2,121,852	2,467,226	3,962,262	61%	740%	4,577,264	7,044,490	12,309,603	75%	194%	32,144,962
<b>Net interest income</b>	<b>4,427,528</b>	<b>4,567,833</b>	<b>5,658,962</b>	<b>-19%</b>	<b>-87%</b>	<b>8,967,692</b>	<b>13,535,525</b>	<b>20,407,640</b>	<b>-34%</b>	<b>-60%</b>	<b>48,358,448</b>
Net fee and commission income	2,083,577	1,993,526	1,818,898	10%	-83%	3,893,472	5,886,998	6,813,018	-14%	-49%	24,161,590
Net Foreign Exchange trading income	623,306	959,648	1,705,333	-44%	-86%	1,438,194	2,397,842	4,414,374	-46%	-64%	11,469,224
Rental Income	250,731	250,731	134,096	87%	-65%	501,462	752,193	313,225	140%	6%	2,260,290
Gain/Loss Investments	(72,025)	(17,228)	(203,831)	-92%	-85%	(78,481)	(95,709)	(557,981)	-83%	-15%	5,383,362
Bad debt recoveries	1,615,740	1,167,090	788,245	48%	-24%	1,985,856	3,152,946	1,203,295	162%	104%	7,971,739
Other Operating Income	22,794	60,573	300,282	-80%	-234%	112,088	172,661	363,182	-52%	-481%	1,392,406
Credit Arising from Acquisition	-	0	0	0%	0%	0	0	0	0%	0%	0
Dividend income	-	35,052	92,950	-62%	-75%	0	35,052	92,950	-62%	-75%	211,445
Provision for loan impairment	(1,600,000)	(1,620,109)	(1,377,720)	-15%	418%	(3,200,000)	(4,820,109)	(4,066,457)	-16%	74%	(15,696,102)
Provision for Investment Impairment	-	0	0	0%	0%	0	0	0	0%	0%	(735,475)
Staff costs	(2,211,658)	(2,543,994)	(2,253,657)	-11%	514%	(4,496,158)	(7,040,152)	(9,219,005)	24%	122%	(25,609,346)
Other operating expenses	(2,247,629)	(2,627,683)	(2,874,066)	9%	593%	(4,280,962)	(6,908,645)	(10,309,193)	33%	164%	(30,847,474)
Profit for the year from discontinued operations	-	0	813,849	0%	0%	0	0	813,849	0%	0%	(1,391,845)
Gain/loss on disposal of Subsidiary	-	0	(2,859,051)	0%	0%	0	0	(2,859,051)	0%	0%	4,471,505
Share of profit in associate	0	0	0	0%	0%	0	0	0	0%	0%	3,074,128
<b>Income for the period before taxation</b>	<b>2,892,363</b>	<b>2,225,439</b>	<b>1,744,290</b>	<b>28%</b>	<b>-82%</b>	<b>4,843,163</b>	<b>7,068,602</b>	<b>7,409,846</b>	<b>-5%</b>	<b>-41%</b>	<b>34,473,895</b>
Dividend preference shares											(290,500)
Projected Taxation	420,631	320,070	690,745	116%	691%	699,498	1,019,568	1,578,343	-35%	148%	2,805,365
<b>Income for the period after taxation</b>	<b>2,471,732</b>	<b>1,905,369</b>	<b>1,053,545</b>	<b>81%</b>	<b>-80%</b>	<b>4,143,665</b>	<b>6,049,034</b>	<b>5,831,503</b>	<b>4%</b>	<b>-36%</b>	<b>36,988,760</b>
Minority Interest	0	0	396,844	0%	0%	0	0	990,052	0%	0%	0
<b>Net Income after minority Interest and taxation</b>	<b>2,471,732</b>	<b>1,905,369</b>	<b>656,701</b>	<b>190%</b>	<b>-75%</b>	<b>4,143,665</b>	<b>6,049,034</b>	<b>4,841,451</b>	<b>25%</b>	<b>-22%</b>	<b>36,988,760</b>