



Annual Report 2026



*A Proven History
Promising Tomorrow*

Table of Contents



A Proven History	2
Our Proven History in Numbers 1996-2026	6
Key Operating Statistics FY 1996-2026	7
Ten Year Statistical Review	8
A Promising Tomorrow	10
Our Mission Statement	11
Our Vision	12



Our Strategic Focus FY 2026

Our Core Values	14
Our Brand Pillars	15
Our Strategic Priorities 2026 and Beyond	16
Key Strategic Initiatives FY 2026	17
Our Next Steps	18



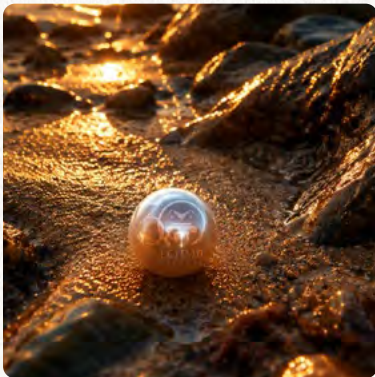
Our Business in Brief

Our Corporate Information	20
ECHMB Capital's Group Structure	21
Our Products and Services	22
Our Wealth Creating Units	23
Our Approach to Value Creation	24
Key Operating Statistics FY 2026	25
Our Credit Ratings	26



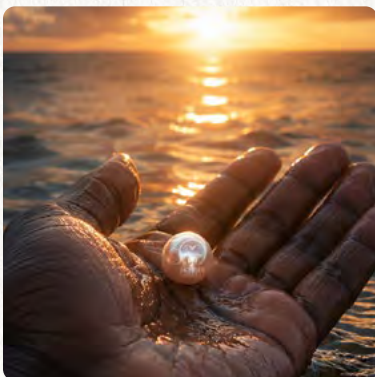
Our Leadership

Chairman's Letter to Shareholders	28
Board of Directors	32
CEO's Letter to Shareholders	38
Executive Team	42



Corporate Governance

Key Board Statistics	47
Governance Policies	56
Chairman's Letter to Shareholders	57
Report of the Board of Directors	58



Our Risk & Resilience

Management of Key Risk	60
Principal Types of Risks	65
Management Discussion and Analysis	70
FY 2026 Performance Highlights	71
Building a High-Performance Team	76
People and Talent Management Strategic Objectives	78
Staff Activities FY 2026	80

Financial Statements 2026

A Proven History



1996 – 2026

Celebrating 30 Years of Financial Excellence

Like a pearl, the Bank was forged by layers of fortitude, wisdom, experience and enduring integrity over the preceding 30 years. We are extremely proud that our footprints are etched on the financial landscape, human capital and wider society of the Eastern Caribbean Currency Union.

Our proven history stands as a monument to the many who have sacrificed so much to perpetuate the Bank's evolving legacy. We truly personify Winston Churchill's quote, "Success is not final; failure is not fatal: It is the courage to continue that counts."



1996

- 22nd April officially launched its operations and was accommodated within the offices of the ECCB Financial Complex in Basseterre, St. Kitts.
- The Honourable Sir K Dwight Venner was appointed Chairman of the Board of Directors.
- Ms. Lydia V Elliott was appointed Corporate Secretary.
- 22nd April, Mr. St. Bernard J. Sebastian was appointed as the 1st General Manager/Chief Executive Officer
- 18th October issued its First Bond in the amount of \$20.27m.



2007

- 1st June, Mr. Duleep Cheddie appointed as the second Chief Executive Officer.

2009

- 31st August issued its second and third Tranches of Equity in the amount of \$10.00m.
- Total Assets exceeded the \$200.00m threshold, of which \$184.27m in Mortgages.
- Total Bonds in issue exceeded the \$200.00m threshold.

2004

- Created special reserve accounts, a Building Reserve Fund and a Portfolio Risk Reserve Fund. Transfers of \$1.5m and \$1.0m from Retained Earnings were made to the respective Reserve Funds. Bonds in Issue exceeded the \$100.00m threshold.
- The staff complement was increased to eight (8).



2008

- 14th February, the Caribbean Information & Credit Rating Services assigned the ratings of *CariAA* (Foreign Currency Rating) *CariAA* (Local Currency Rating) in its regional rating scale to the notional debt issue of US\$30.00m.
- The Mortgage Loans Facilities exceeded the \$100.00m threshold.
- Borrowings exceeded the \$150.00m threshold.





2016

- The ECHMB celebrated 20 years of operations.
- Issued its first corporate paper totaling \$137.61m.
- Repaid \$10.00m on the Caribbean Development Bank Borrowings.
- The Honourable Sir K. Dwight Venner demitted office as Chairman of the Board of Directors.
- Mr. Timothy N.J. Antoine appointed Chairman.



2020

- The Monetary Council approved amendments to the ECHMB Agreement.
- Borrowings threshold increased to \$1.0b.
- Paid the first interim dividend of \$3.75 per share.
- Reported a profit of \$9.13m, highest in the Bank's history to date.
- Total Assets Under Management reached \$350.14m, highest in the Bank's history to date.

2013

- Reported the highest profit to date in the Bank's history of \$5.76m.
- Assets Under Management (AUM) reached \$329.70m.
- Mr. Duleep Cheddie demitted office of General Manager/Chief Executive Officer and Mr. Randy Lewis was appointed acting General Manager.



2018

- Prepared the first Annual Integrated Report.
- Continued the restructuring of the Bank's operations including exploring the change in the name of the Bank to ECHMB Capital Ltd.
- The Bank celebrated its 100th Board of Directors meeting.



2021

- Adopted the trading name, ECHMB Capital.
- Rolled out a new logo.
- Celebrated 25 years of operations.
- Held its inaugural virtual Annual General Meeting.
- The firm PWC, Chartered Accountants, was appointed as Auditor.
- Total Assets exceeded the \$461.93m threshold.
- Net profit for the year exceeded \$17.01m, highest to date.



2023

- Issued \$27.73m in preference shares

2024

- 5th December 2024, incorporated a wholly owned subsidiary- ECHMB Financial Services Ltd.
- Granted provisional license by the Eastern Caribbean Securities Regulatory Commission to undertake brokerage business.



2022

- Exceeded the \$500m threshold with assets under management reported at \$517.74m.
- Reported the fifth consecutive year of growth in assets under management.
- The Caribbean Information and Credit Rating Services Limited (CarICRIS) upgraded the corporate ratings of the Bank to CARI A-(from Cari BBB+) on the regional rating scale (Foreign and Local currency ratings).
- Reported the highest borrowings at \$441.66m
- Successfully issued the Bank's inaugural preference shares totaling \$13.76m.
- Paid a special dividend of \$15.00 per share.
- Unveiled the Bank's new mission and vision statements.
- Appointed the inaugural Investment Committee.

2026

- On the 22nd April 2026, celebrated 30 years of operations



Our Proven History in Numbers 1996-2026

Debt Instruments Issued

\$3,985.04m

Interest Paid

\$225.68m

Debt Investors

50

Ordinary Shareholders

62

Net Profit for the Year

\$111.70m

Dividends Paid

\$50.67m

Credit Ratings

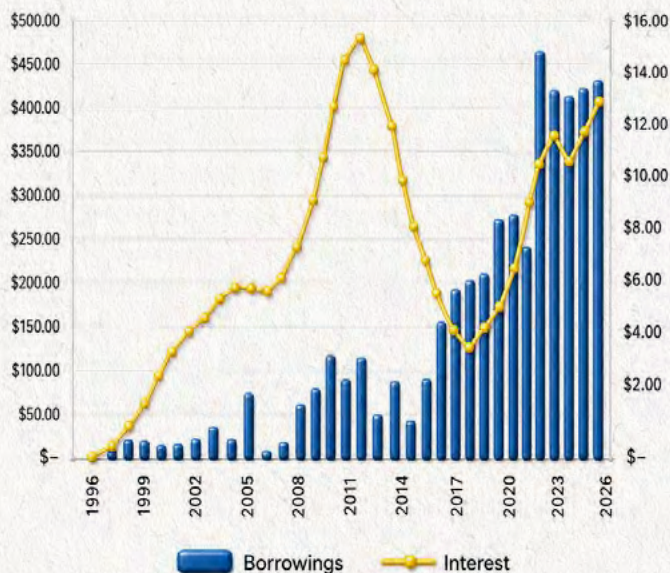
CariA-

(Foreign and Local Currency Ratings)

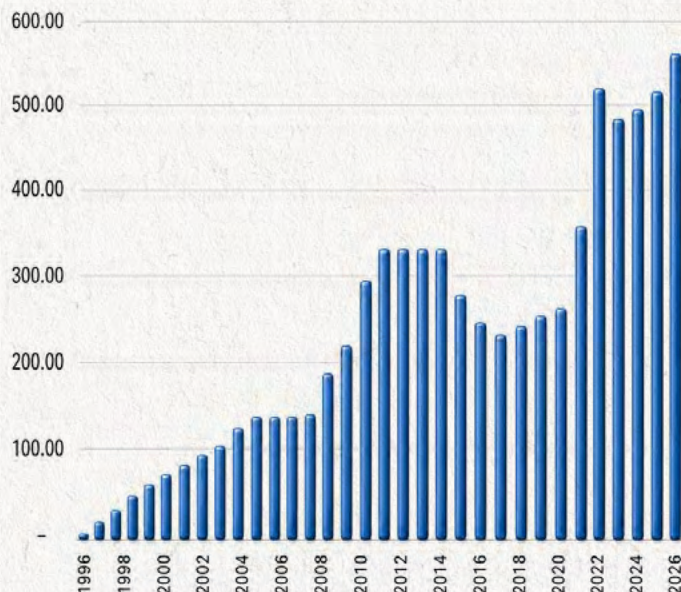


Key Operating Statistics FY 1996-2026

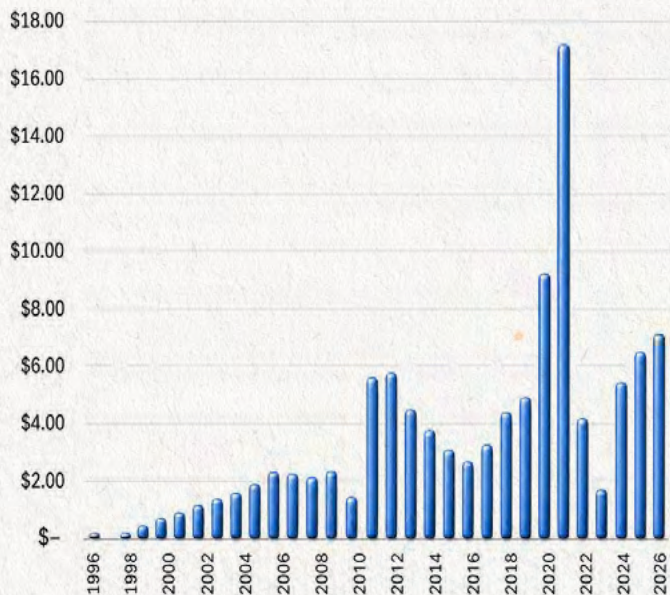
**Borrowings Issued By ECHMB Capital
1996-2026**



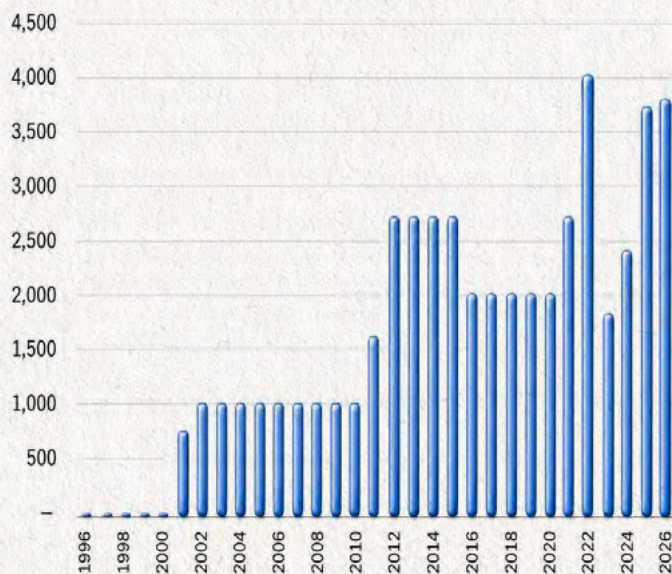
**Assets Under Management
1996-2026**



**Net Profit for the Year
1996-2026**



**Dividends Paid
1996-2026**



Ten Year Statistical Review

	Consolidated 2026 \$	Consolidated 2025 \$	2024 \$	Non-Consolidated 2023 \$	2022 \$
Interest Income	22,002,245	21,548,591	20,723,150	19,934,726	17,876,613
Interest Expense	12,356,494	11,252,443	10,257,223	11,260,240	10,181,563
Net Interest Income	9,645,751	10,296,148	10,465,927	8,674,486	7,695,050
Other (losses)/ income	2,297,874	2,034,086	820,696	(3,730,309)	2,077,324
Other Expenses	5,025,104	6,118,670	6,050,127	3,208,859	2,180,681
Net Profit for the Year	6,918,521	6,211,564	5,236,496	1,735,318	7,591,693
Total Assets	562,298,938	510,020,299	491,350,562	480,827,247	517,742,565
Total Liabilities	476,570,739	429,059,379	419,023,786	423,221,520	458,033,996
Shareholders' Equity	85,728,199	80,960,920	72,326,776	57,605,727	59,708,569
Earnings per share	25.74	23.11	19.48	6.46	28.25
Book Value per share	133.31	115.58	93.36	59.95	170.96
Net Interest Income	43.84%	47.78%	53.60%	64.90%	43.05%
Efficiency Ratio	42.07%	49.62%	53.60%	64.90%	22.31%
Return on Assets	1.23%	1.22%	1.07%	0.36%	1.47%
Interest Cover	1.56	1.55	1.51	1.15	1.75
Debt-to-Equity Ratio	4.72:1	4.82:1	5.26:1	6.80:1	7.40:1



Non-Consolidated					
2021 \$	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
16,106,192	13,525,456	12,313,216	11,480,370	11,141,929	12,423,570
7,468,564	5,477,981	4,637,522	3,962,620	4,790,392	6,523,972
8,637,628	8,047,475	7,675,694	7,517,750	6,351,537	5,899,598
15,123,043	5,117,790	949,693	228,173	168,842	40,439
6,745,775	4,032,713	3,315,459	3,530,088	3,460,712	3,435,395
17,014,896	9,132,552	5,309,928	4,215,835	3,059,667	2,504,642
461,927,985	350,137,718	265,802,954	261,901,801	244,172,894	247,817,342
392,727,223	287,674,736	206,630,675	200,543,931	185,015,241	189,703,738
69,200,762	62,462,982	59,172,279	61,357,870	59,157,653	58,113,604
63.31	33.98	19.76	15.69	11.39	9.32
257.49	232.42	220.18	228.31	220.12	216.24
53.63%	59.50%	62.39%	65.48%	57.01%	47.50%
28.39%	30.63%	38.44%	45.57%	53.08%	57.83%
3.68%	2.61%	2.00%	1.61%	1.25%	1.01%
3.28	2.67	2.14	2.06	1.64	1.38
5.29:1	4.30:1	3.48:1	3.27:1	3.12:1	3.26:1



A Promising Tomorrow

We have laid an indelible foundation which will not only perpetuate growth but enable the Bank to successfully navigate the myriads of issues likely to emerge in the future. We are very optimistic about the next chapter in the life of the Bank. As Heraclitus said, "The only constant is change."



Our Mission Statement

Our mission is to inspire and provide opportunities for home ownership, wealth creation and financial market development.



Our Vision

To be the leader in transforming the financial landscape of the ECCU by being innovative and socially inclusive.



OUR STRATEGIC FOCUS

FY 2026



Our Core Values



Our Brand Pillars

ECHMB Capital brand pillars personify how we want to be represented or perceived by our stakeholders.



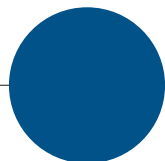
Social Responsibility

- Beneigned impacts on society
- Strong ESG focus
- Inclusiveness



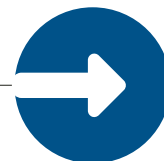
Strength

- Prudently managed
- Risk averse
- Sustainable profitability
- Capital adequacy



Innovation

- First to market
- Constant improvements
- Exceeding stakeholders' expectation
- Leveraging technology and digitalization



Our Strategic Priorities 2026 and Beyond

Our Strategic Priorities are predicated on building a “best-in-class” financial intermediary which adapts to meet the evolving needs of the housing sector and capital market of the ECCU.

We are mindful that our greatest asset is the market's perception of the Bank as a dynamic going concern. Our strategies are therefore designed to ensure that the ECHMB fulfill its remit as a capital centric entity, yet mindful of its wider corporate social responsibility.



**Market Growth
& Development**



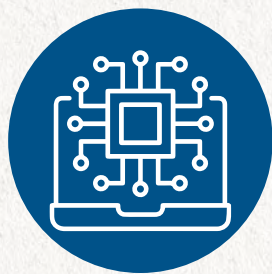
**Dynamic Risk
Management**



**Customer
Focus/Driven**



**People & Talent
Management**



**Accelerated Digital
Transformation and
Technology Modernization**



**Environmental
Social Governance
Centricity**

Key Strategic Initiatives FY 2026



Commenced the process for the repeal and replacement of the ECHMB Act 1995 with ECHMB Capital Act



Revamped the Marketing Mix



Incorporated a 100% subsidiary – ECHMB Financial Services Ltd. to commence a new line of business



Enhanced marketing & promotion – Relaunched the Bank's social media

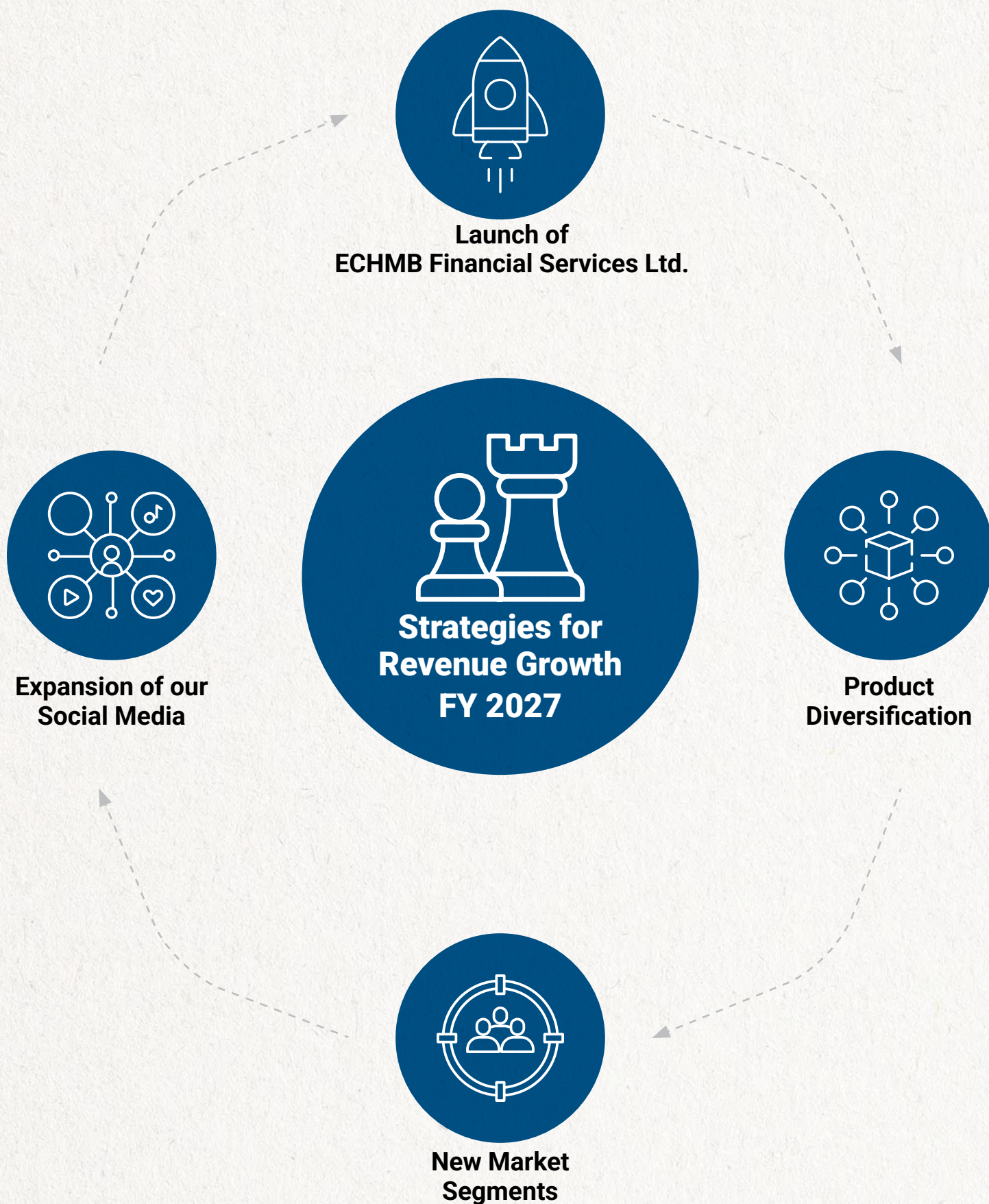


Added strategic positions to the organization chart



Launched new products

Our Next Steps



OUR BUSINESS IN BRIEF



Our Corporate Information

External Auditors

PKF Accountants & Business Advisers
Pannell House
P.O. Box 1798
Grand Anse
St. George's
Grenada

Internal Auditors

Grant Thornton St. Kitts
Corner Bank Street & West
Independence Square
P.O. Box 1038
Basseterre
St. Kitts

Attorneys-at-Law

Kelsick, Wilkin & Ferdinand
P.O. Box 174,
Fred Kelsick Building,
Independence Square
South,
Basseterre,
St. Kitts, W.I.

Bankers (Local)

Eastern Caribbean
Central Bank
St. Kitts-Nevis-Anguilla
National Bank.

Bankers (Foreign)

JMMB Jamaica
Sterling Assets Managers
Raymond James (USA)

Transfer & Paying Agent

Eastern Caribbean Central
Securities Registry
ECCB Complex
Bird Rock Road
Basseterre
St. Kitts



Contact Information



P.O. Box 753 Phase II
ECCB Complex
Basseterre
St. Kitts



1-869-466-7869



info@echmb.com



www.echmb.com



ECHMB Capital



ECHMB Capital

ECHMB Capital's Group Structure



100%



Our Products and Services

Our Business Activities



Secondary Market

Provide liquidity to the primary market:

- Commercial Banks
- Building Societies
- Credit Unions
- Development Banks
- Social Security Schemes



Capital Market

Provide investment options to:

- Corporates
- Individuals

Active management of investments on the international money and capital market.



Capacity Building

Provide education in mortgage underwriting:

- Commercial Banks
- Insurance Companies
- Building Societies
- Credit Unions
- Social Security Schemes

Our Products

Existing Products

- Mortgage-backed securities
- Mortgage pledged loans
- Mortgage credit facility
- Corporate bonds
- Corporate papers
- Preference shares
- Mortgage underwriting certification

New Products FY 2026

- Brokerage Services

Products Under Research & Development

- Factoring
- Invoice discounting
- Leasing
- Growth and Income funds

Our Wealth Creating Units

We continue to explore the capital and liquidity requirement of the ECCU with the intent of developing new products and services to satisfy prevailing demand.



Secondary Market

Provide liquidity to the primary market:

- Commercial Banks
- Building Societies
- Credit Unions
- Development Banks
- Social Security Schemes
- Schemes

What we Offer

- Mortgage-backed securities
- Mortgage pledged loans
- Mortgage credit facility



Total revenue FY 2026
Mortgage-backed securities.

\$1.66m



Capital Market

Provide investment options to:

- Corporates
- Individuals
- Assets management

What we Offer

- Corporate Bonds
- Commercial papers
- Corporate notes
- Ordinary shares
- Preference shares



Total revenue FY 2026
Capital markets.

\$20.34m



Capacity Building

Provide education in mortgage underwriting:

- Commercial Banks
- Insurance Companies
- Building Societies
- Credit Unions
- Social Security Schemes

What we Offer

- Mortgage underwriting education
- General business advice



Total revenue FY 2026
Capacity building.

\$0.51m

Our Approach to Value Creation

At ECHMB, value is created through our business model, which acquires inputs in the form of capital - financial, manufactured, intellectual, human, social and natural capital - and transforms it through our business activities and interactions to produce outputs and outcomes for the Bank, its stakeholders, society and the environment.

Inputs



Financial Capital

ECHMB's funding comes from investors, (institutional and private investors) to run the activities of the Bank and generate profits.

- Share capital – \$85.73m
- Borrowings – 404.69m



Human Capital

Our people, management and the Board of Directors provide expertise, experience and knowledge.

- Staff head count – 12
- Directors – 5



Manufactured Capital

Our business structure and operational processes provide the structure and mechanisms through which we run the Bank.

- Information technology software, systems and structures



Intellectual Capital

Our intellectual assets, such as our brand value, innovative products, innovation capacity and reputation.

- Strong brand affinity
- Exceptional innovation capacity



Social and Relationship Capital

Our relationships with our stakeholders particularly communities in which we operate

- Consistent engagement of key stakeholders including customers, the regulator, employees and other financial institutions



Natural Capital

Our impact, directly and indirectly, on natural living and non-living organisms including ecosystems, through our operation.

- Working towards reduction of carbon footprint

Products

- Mortgage-backed securities
- Capital markets products
- Mortgage underwriting education

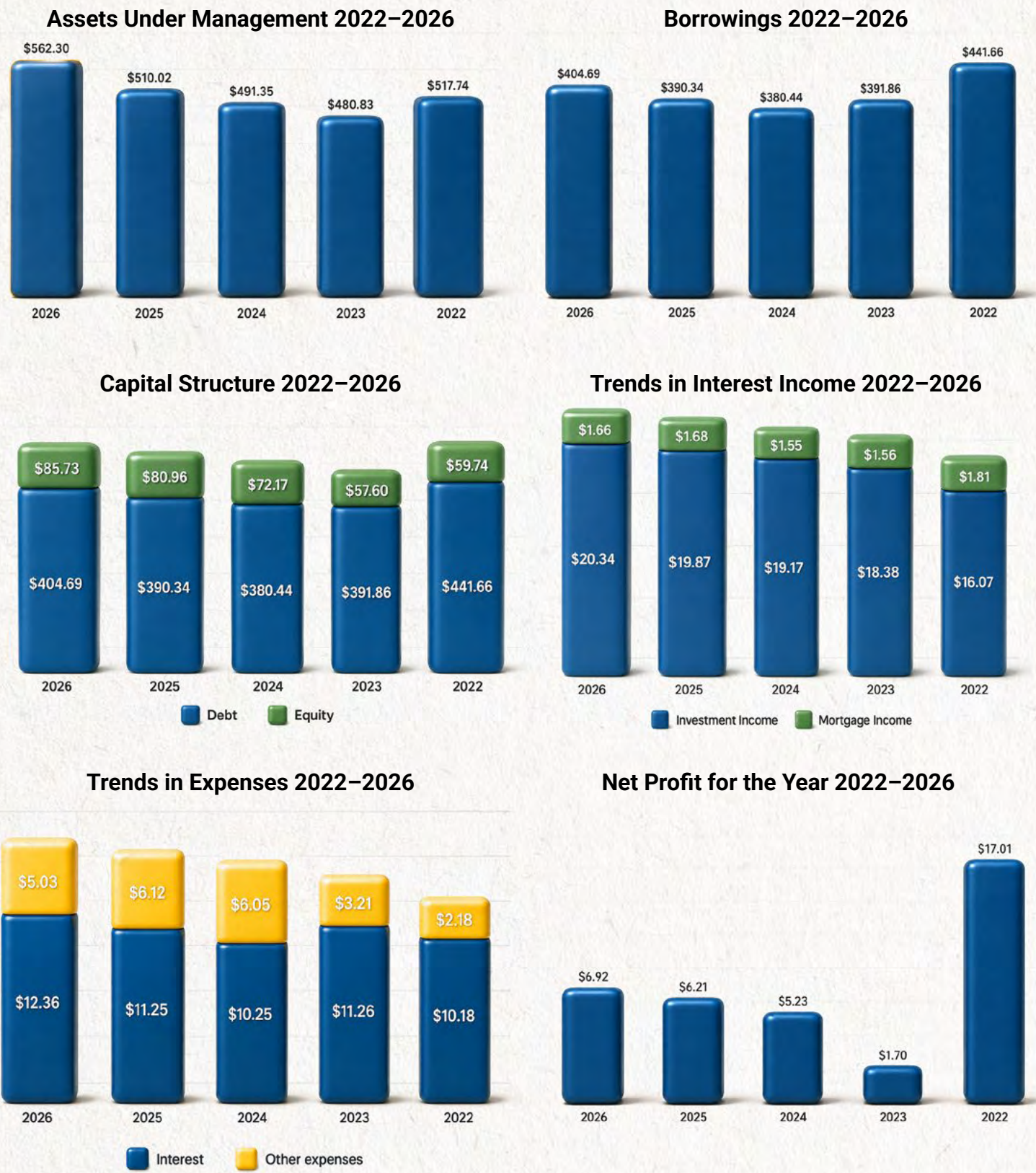
Outputs

- Interest income
- Trading income
- Dividends

Outcomes

- Satisfied customers
- Employment and income for staff
- Adequate return for stakeholders
- Economic growth for the ECCU
- Social development

Key Operating Statistics FY 2026



Our Credit Ratings



We are the only corporation in the ECCU to undertake and publish annual credit ratings.

Rating History

Date	Foreign Currency	Local Currency	Instrument/Remarks
June 26, 2025	CariA-	CariA-	USD 30 million Debt Issue
June 28, 2024	CariA-	CariA-	USD 30 million Debt Issue
September 14, 2023	CariA-	CariA-	USD 30 million Debt Issue
August 29, 2022	CariA-	CariA-	USD 30 million Debt Issue
September 15, 2021	CariA-	CariA-	USD 30 million Debt Issue
June 30, 2015***	CariBBB+	CariBBB+	USD 30 million Debt Issue
June 9, 2014	CariA	CariA	USD 30 million Debt Issue
March 31, 2010**	CariAA-	CariAA-	USD 30 million Debt Issue
February 11, 2008*	CariAA	CariAA	USD 30 million Debt Issue

* Initial rating assigned

** Rating reaffirmed on March 28, 2011, March 29, 2012 and May 27, 2013

*** Rating reaffirmed fr

OUR LEADERSHIP





We will endeavor to sound
the clarion call for wealth
creation in the ECCU.



Timothy N.J. Antoine
Chairman



Reflections on 30 Years of ECHMB

Thirty years is more than a milestone. It is a testament to vision, resilience, perseverance and impact.

On 22 April 2026, the Eastern Caribbean Home Mortgage Bank (ECHMB) celebrated thirty years of operation. As we mark this important milestone, we have much to celebrate—and much for which to be grateful.

The ECHMB was established in 1996 with a clear and important mandate: to develop the Secondary Mortgage Market (SMM) and, in so doing, contribute to the growth and development of the money and capital markets of the Eastern Caribbean Currency Union (ECCU).

Thirty years later, it is fitting to pause and reflect on how far we have come, the contribution we have made, and the foundation we have laid for the future.

The story of the ECHMB is, in many respects, a story of regional ambition translated into regional action. It is a story of an institution created to address a specific market need, but which has gone on to become an important participant in the development of the ECCU's financial architecture.

From our first bond issue of \$20.27 million in 1996 to \$3.96 billion in debt instruments issued over three decades; from pioneering the Secondary Mortgage Market to providing liquidity during the Global Financial Crisis; from creating investment opportunities for our people to promoting high standards of governance and transparency—the ECHMB has made its mark.

These achievements did not happen by accident. They are the result of visionary leadership, sound governance, committed management and staff, the confidence of investors and shareholders, and the support of stakeholders across our region.

As we celebrate thirty years, therefore, we celebrate not simply an institution and its financial performance. We celebrate an idea that became an institution, an institution that created opportunity, and opportunity that has contributed to the development of our region.

And, importantly, we look ahead.

Because the most important question at thirty is not simply “What have we achieved?” It is also “What more can we do?”

That question is particularly relevant as we enter a new chapter—one in which the ECHMB can play an even greater role in deepening our capital markets, expanding investment opportunities and helping to build a culture of wealth creation across the ECCU.

It is in that spirit that I reflect on the ECHMB's first thirty years—and look with confidence to the thirty years ahead.

Milestones and Contributions

First, the ECHMB has established itself as a significant issuer in the ECCU capital market.

On 18 October 1996, the Bank issued its first bond in the amount of \$20.27 million. Over the subsequent thirty years, the ECHMB has issued debt instruments totalling \$3.96 billion.

As at 31 March 2026, the ECHMB remains the only perennial issuer on the Eastern Caribbean Securities Market (ECSM). Through its debt instruments, the Bank has generated cumulative wealth of \$225.68 million for debt investors.

Second, the ECHMB pioneered the development of the Secondary Mortgage Market in the ECCU.

The SMM was established to address the limited access to liquidity faced by primary lenders. Its importance was particularly evident during the Global Financial Crisis, when financial conditions tightened significantly.

Between 2008 and 2011, the ECHMB purchased mortgage-backed securities totalling \$251.50 million and placed \$78.74 million in cash and term deposits. These actions provided primary lenders with much-needed, cost-effective liquidity to support their day-to-day operations during a period of considerable financial stress.

Third, the ECHMB has demonstrated its creditworthiness and strengthened confidence in the regional financial system.

On 14 February 2008, the Caribbean Information & Credit Rating Services assigned ratings of CariAA for both Foreign Currency and Local Currency on the regional rating scale to the notional debt issue of US\$30.00 million.

This represented one of the first credit ratings assigned to a non-bank financial institution in the ECCU.

Since 2008, the ECHMB has maintained investment-grade credit ratings and is currently rated CariA- on the regional rating scale for both Foreign and Local Currency. These ratings indicate that the Bank's creditworthiness, relative to other obligors in the Caribbean, is good.

Fourth, the ECHMB has created opportunities for investment and wealth creation through its equity offerings.

On 31 August 2009, the Bank issued its second and third tranches of equity, amounting to \$10.00 million. As

at 31 March 2026, the Bank had allotted ordinary shares amounting to \$36.99 million.

In FY 2022, the Bank diversified its equity base through the issuance of preference shares, which had accumulated to \$49.90 million as at 31 March 2026.

The issuance of preference shares also created an opportunity for investors who had previously been excluded from participation in the Bank's equity to become shareholders.

To date, the Bank has declared and paid dividends totalling \$50.64 million. This represents a dividend distribution of 45.34 per cent of the \$111.69 million in net profits generated over the period.

Fifth, the ECHMB has made a meaningful contribution to economic activity across the ECCU.

On average, the Bank expends approximately \$5.00 million annually on general and administrative expenses. Over thirty years, this translates into more than \$150.00 million injected into economic activity throughout the ECCU.

In addition, the Bank has paid more than \$20.87 million in mortgage administration fees. The multiplier effects of these expenditures have contributed to economic activity and, ultimately, to the gross domestic product of the ECCU.

Sixth, the ECHMB has been a pioneer in promoting good corporate governance and transparency in the ECCU.

The Bank has an enviable track record of holding timely and interactive Annual General Meetings and publishing its integrated annual reports on a timely basis.

Over the years, more than 30 professionals from across the ECCU have served as directors of the Bank. This is a testament not only to the confidence placed in the ECHMB, but also to its contribution to the development of regional leadership and governance capacity.

Acknowledging Those Who Built the ECHMB

It should therefore be apparent that the ECHMB has been successful in fulfilling the mission for which it was created.

I wish to place on record my heartfelt gratitude to the many individuals who have made significant sacrifices and contributions to making the ECHMB a resounding success over the past thirty years.

First, I hail the sterling contributions of Sir K. Dwight Venner, for his vision, guidance and sacrifice in helping to make the ECHMB dream a reality.

Next, I acknowledge the valuable contributions of our current and former directors and corporate secretaries.

I acknowledge Mr. St. Bernard J. Sebastian, former Chief Executive Officer, for his fortitude, strength and leadership during the Bank's formative years.

I acknowledge Ms. Maria Barthelmy for her loyal and dedicated service as Corporate Secretary for twelve years, from 2006 to 2018.

I acknowledge Mr. Randy Lewis for his hard work, foresight and guidance as Chief Executive Officer over the past eleven years, including through various economic and financial shocks.

I acknowledge Ms. Gillian Skerritt, our current Corporate Secretary, for her commitment and dedicated service over the past eight years.

I also recognise the former and current members of the management team and staff for their tremendous contribution to the ECHMB's continued success.

And, importantly, I acknowledge our valued external stakeholders, including our shareholders and providers of debt capital. Without your confidence, commitment and unwavering support, the ECHMB could not have achieved the success we celebrate today.

Our "Big Push" for Wealth Creation

As we look to the future, we must not only celebrate what the ECHMB has achieved; we must also ask what more it can do for the people of the ECCU.

To that end, we sound the clarion call for wealth creation across the ECCU.

Statistics indicate that only one in four persons in the ECCU are active investors on the ECSM or the Regional Government Securities Market (RGSM). This suggests that, while many persons are savers, there is a significant opportunity to encourage more people to transition from saving to investing, and from investing to wealth creation.

Those seeking to make that transition, however, face several constraints. Investment opportunities within the ECCU remain limited. Some persons have been excluded from private placements because of their classification as "unsophisticated" investors. Potential investors have also been discouraged by high transaction costs and inefficiencies in executing cross-border transfers of funds.

We must address these constraints if we are serious about broadening participation in our capital markets and creating greater opportunities for our people to build wealth.

We have, therefore, a clear vision for the ECHMB: to be a catalyst for wealth creation in the ECCU.

This vision is entirely synergistic with the ECCB's "Big Push"—our call for a decade of transformative action to double the GDP of the ECCU economies and, more importantly, to elevate the quality of life and prosperity of our people.

We believe that the ECHMB is strategically positioned to help bring about far-reaching transformation in the ECCU's capital markets through several initiatives:

- Promoting investor education and financial literacy;
- Increasing the supply and range of investment-grade financial instruments traded on the ECSM;

- Promoting deeper and more active secondary markets for financial instruments;
- Expanding access to capital markets, particularly for retail investors; and
- Championing the introduction and greater utilisation of technology across the ECSM and RGSM.

It is against this backdrop that the Bank has incorporated a wholly owned subsidiary, ECHMB Financial Services Ltd.

This initiative is aligned with the Bank's vision:

"To be the leader in transforming the financial landscape of the ECCU by being innovative and socially inclusive."

I am pleased to report that, at the commencement of FY 2027, the Bank has taken the initiative to recommence the issuance of bonds and repurchase agreements.

These are important steps in positioning the ECHMB not merely as a mortgage-finance institution, but as an increasingly important catalyst for the development and deepening of the ECCU's capital markets.

The ECHMB also intends to take the lead in forging stronger synergies with the Eastern Caribbean Securities Exchange (ECSE) and the Eastern Caribbean Securities Regulatory Commission (ECSRC)—institutions established by the ECCB with the express purpose of developing and strengthening the financial landscape of the ECCU.

Our collective task must be to make our capital markets more accessible, more efficient, more innovative and more inclusive.

The Big Push gives us the opportunity to move from aspiration to action—from saving to investing, from investing to wealth creation, and from wealth creation to greater prosperity for our people.

Through the Big Push, we are confident that the ECHMB can play an even greater role in transforming the financial landscape of the ECCU and making our vision of inclusive wealth creation a resounding reality.

Looking Ahead: From Foundation to Transformation

Thirty years ago, the ECHMB was created because our region recognised that we needed deeper markets, greater access to liquidity and stronger financial institutions.

Thirty years later, we can say with confidence that the Bank

has made a meaningful contribution to that vision.

But we must not mistake a strong foundation for a finished building.

The work continues.

Our ambition now must be to build deeper and more vibrant capital markets; create more investment opportunities for our people; harness technology to make those markets more accessible and efficient; and, ultimately, help more citizens move from saving to investing, and from investing to wealth creation.

This is the opportunity before us.

And this is why the ECHMB's next chapter is so important.

The ECCB's Big Push calls us to think bigger, move faster and act together to transform our economies and improve the lives of our people. The ECHMB has an important role to play in that transformation.

We therefore look to the future with confidence and determination.

The first thirty years laid the foundation.

The next thirty must build greater opportunity.

Greater opportunity must lead to greater investment.

Greater investment must lead to greater wealth.

And greater wealth must lead to greater prosperity for the people of the ECCU.

That is the promise of the ECHMB.

That is the opportunity of the Big Push.

And that is the work before us.

As we celebrate thirty years of achievement, let us recommit ourselves to the vision that brought this institution into being—and embrace an even greater vision for the future.

The next thirty years beckon.

Let us build deeper markets.

Let us create greater opportunity.

Let us expand wealth creation.

And let us do our part to build a more prosperous Eastern Caribbean.

The foundation has been laid.

Now, let us build. Now, let us harvest.



Board of Directors



Timothy N.J. Antoine

Chairman Class A

Mr. Antoine was appointed to the Board of Directors in November 2016.

A national of Grenada, he assumed duties as the third Governor of the Eastern Caribbean Central Bank (ECCB) on 1st February 2016. He is an economist and development practitioner by training, experience and passion. Before taking up the position of Governor, Mr. Antoine served as Director for Grenada on the ECCB Board of Directors for the periods: 2002 to October 2005 and January 2008 to January 2016.

Mr. Antoine's 22-year tenure with the Government of Grenada was spent in the Ministry of Finance where he began as a Planning Officer in 1993 and rapidly moved up the ranks to Senior Economist before being appointed Permanent Secretary, serving in that position for the periods August 1999 to October 2005 and January 2008 to January 2016. From November 2005 to November 2007, he served as Advisor to the Executive Director for Canada, Ireland and the Caribbean in the World Bank Group and was based in Washington D.C. In that role, he offered analysis and advice on various development policies and projects and was a strong advocate for the interests of the Caribbean and small states.

He was a Part-Time Lecturer in Economics and Development at St. George's University from 1999-2000. Mr. Antoine has also contributed to the development of the OECS and wider Caribbean in various ways such as serving on several local, regional and international boards and committees including:

- o Chairman, Grenada's Homegrown Programme Monitoring Committee
- o Chairman, Grenada Authority for the Regulation of Financial Institutions
- o Chairman, Investment Committee, Grenada National Insurance Board
- o Chairman, Governance Reform Committee, Board of Directors, Caribbean Development Bank
- o Director, Board of Directors, CARICOM Development Fund



- o Director, Caribbean Catastrophe Risk Insurance Facility
- o Chairman, ECCU Technical Core Committee on Insurance
- o Chairman, Eastern Caribbean Securities Exchange

Mr. Antoine holds an MSc Degree in Social Policy and Planning in Development Countries from the London School of Economics and a BSc Degree in Economics with Management from the University of the West Indies. He has also received training from the Small Countries Financial Management Centre in the Isle of Man and training in Negotiations at the Saïd International School of Business, Oxford University. He also has a Certificate in Project Cycle Management from the Caribbean Development Bank.



Stewart Haynes

Class B

Mr. Haynes was appointed to the Board of Directors in October 2020.

Mr. Stewart Haynes is the Chief Executive Officer of the Eastern Caribbean Securities Exchange. He is a Chartered Financial Analyst (CFA) and a Fellow of the Faculty and Institute of Actuaries (FIA).

Mr. Haynes is a prominent figure in the financial sector, holding key leadership positions in various organizations. He served as the Director of St. Vincent and the Grenadines National Insurance Services from 2017 to 2026. He serves as a Director of the Financial Services Authority (FSA), the East Caribbean Financial Holding Company (ECFH), and the Eastern Caribbean Home Mortgage Bank (ECHMB).

Mr. Haynes' contributions to the field of actuarial science have earned him international recognition. In 2018, he was elected to the Bureau of the International Social Security Association (ISSA) in Geneva, Switzerland, representing the English-speaking Caribbean's Social Security Systems. His influence further expanded as he was appointed as ISSA's Vice-Chairperson of the Technical Commission on Investment of Social Security Funds and a member of ISSA's Finance Committee for the Triennium 2023-2025.

Mr. Haynes holds a B.Sc. in Actuarial Science from the London School of Economics and Political Science and a M.Sc. in Actuarial Management from CASS Business School London, specializing in Investment Management. He also completed the Director's Education and Accreditation Program (DEAP) from the Chartered Governance Institute of Canada (CGIC), and has been awarded the designation Accredited Director.





Michael Spencer

Class C

Mr. Spencer was appointed to the Board of Directors October 2024.

Michael G. Spencer is the General Manager of the Eastern Caribbean Amalgamated Bank (ECAB). He has over 20 years of experience in the banking and financial services sectors. Under his leadership, ECAB has positioned itself as one of the leading domestic banks in Antigua and Barbuda, offering a wide range of personal and business banking services. He is recognized for driving strategic growth and implementing technological innovations within the banking industry, such as expanding online and telephone banking services.

Mr. Spencer played a pivotal role in ECAB's acquisition of Scotiabank's operations in Antigua, further strengthening the bank's presence by increasing its branches and ATM network across the island. He is also deeply committed to corporate social responsibility, supporting various community initiatives, especially in education, sports, and culture.



Sandra Derrick

Class C

Ms. Derrick was appointed to the Board of Directors October 2022.

Ms. Derrick is a financial consultant with over ten years of experience in finance, investments, and project management. She holds a Bachelor of Science in Industrial Engineering from Stanford University and an MBA in Finance, Decision Sciences, and Marketing from the Kellogg School of Business at Northwestern University. She is also a Chartered Financial Analyst (CFA) and a member of the CFA Institute.

Ms. Derrick's career encompasses a broad spectrum of experiences across private and public enterprises, including international assignments. She began in the technology sector, specializing in database customization, before expanding into project and financial management. After managing foreign currency reserves at the Eastern Caribbean Central Bank, she served at the Ministry of Finance in Antigua and Barbuda and currently works in a private capacity.

Ms. Derrick is the Chairman of the ACB Caribbean Board of Directors and serves as a Director of the ACB Mortgage & Trust Company Limited and the ACB Grenada Bank Ltd. She is actively involved in various Board committees, including Governance and Executive (Chairman), Technology, Human Resources and Compensation, and Audit and Risk Management (Chairman, ACB Grenada Bank Ltd.). Additionally, Ms. Derrick is appointed to the Board of Trustees for the Pension Schemes of the ACB Caribbean Group and is the Chairman of the ACB Grenada Bank Ltd. Pension Fund Plan. She is a member of the Institute of Chartered Secretaries & Administrators (ICSA) and holds the designation Acc. Dir. after completing the Directors Education and Accreditation Programme (DEAP).





Mr. Aylmer A. Irish

Class D

Mr. Irish was appointed to the Board of Directors in September 2018.

Mr. Irish has had a distinguished career which spans over 28 years as a progressive senior executive with experience in the field of banking, accounting and finance. He served as Deputy General Manager and subsequently as General Manager of the Roseau Co-operative Credit Union in the Commonwealth of Dominica between 1996 and 2010. In 2010 following the Amalgamation of five Credit Unions to form the National Co-operative Credit Union (NCCU) Mr. Irish was appointed to lead, the Institution – the largest in the subregion as the Chief Executive Officer, a position he held for 13 years until May 2023.

In October 2023, Mr. Irish joined the Staff of the Central Co-operative Credit Union in Dominica as the General Manager.

He holds a Bachelor of Accounting from the University of the Virgin Islands, St Thomas; a Master of Business Administration from the University of the West Indies – Cave Hill, a Certificate in Project Implementation and Management from the Caribbean Development Bank, Certificate of Merit in Advance Executive Management – Mona Institute of Development Programme, University of the West Indies – Mona and is an Accredited Director.

Mr. Irish is a Trustee of the Dominica Employers Federation. He served for several years on the executive of the Association of Banks and Financial Institutions of Dominica and the Eastern Caribbean Currency Union.





Your Bank generated a
Net profit for the Year of
\$6.92m...

Randy Lewis
Chief Executive Officer



A Proven History A Promising Tomorrow

Dear Shareholders

It is with the utmost pleasure that I present ECHMB Capital's results for the financial year ended 31st March 2026. I should also be grateful if you permit me the opportunity to articulate how the Bank fulfilled its purposes over the period 1996 to 2026 and I crave your indulgence in providing a summation of our plans for FY 2027 and beyond.

FY 2026 – A Tough, Yet Rewarding Financial Year

The International Monetary Fund's outlook for FY 2026 projected a slowdown in global growth, with estimates settling around 2.90% to 3.10%. The unenthusiastic outlook was attributed to persistent energy shocks, geopolitical tensions, and fading temporary growth drivers. The IMF's outlook was further tempered by geopolitical instability, particularly the U.S and Iran war which resulted in the closing of the Strait of Hormuz. While a recession was not contemplated, risks were elevated, with inflation expected to remain sticky and above targets in several regions, including the U.S.

As a result of the “less than stellar” economic outlook, your Bank took decisive actions to preserve shareholders' wealth. An abstract of our strategic intervention included:-

- o Renewed efforts to modernize the Bank's statute (advanced the process for the replacement of the Eastern Caribbean Home Mortgage Bank Act – 1995 and with the ECHMB Capital Bill).
- o Increased monitoring of KPIs which focused on market defense and penetration of new segments.
- o Augmented our conservative investment strategy which proved extremely effective in stymieing losses on the Fair Value Reserve.
- o Accelerated digital transformation and technology modernization, including a renewed focus on cyber security risks.
- o Introduction of new products and services including broker/dealer via the incorporation of a wholly owned subsidiary (ECHMB Financial Services Ltd.)
- o Adopted new policies for corporate governance

Given our strategic interposition, your Bank generated a Net profit for the Year of \$6.92m, representing an increase

of \$0.71m (11.43%) when compared to \$6.21m reported in FY 2025. Our commendable results reinforced the Bank's ability to pay dividends totaling \$3.84m and thus preserved our 24-year track record.

In addition, your Bank reinvested \$3.08m via Retained Earnings and transfer to the Portfolio Risk Reserve. This contributed to the augmentation of our Debt-to-Equity Ratio which improved from 4.82:1 in FY 2025 to 4.72:1 in FY 2026; it is to be noted that the benchmark imposed by the Board of Directors is 8.0:1. Further, our Book Value Per Share improved from \$115.58 in FY 2025 to \$133.31 in FY 2026. It is to be noted that losses reported on Fair Value Reserve remained elevated at \$56.71m and hence were responsible for the fact that our Book Value Per Share continued to be lower than the \$160.00 acquisition costs per share for the tranches two and three.

Fulfilling our Purposes Based on the Eastern Caribbean Home Mortgage Bank (ECHMB) Act of 1995

Based on the ECHMB Act of 1995, the principal purposes of the Bank are as follows:-

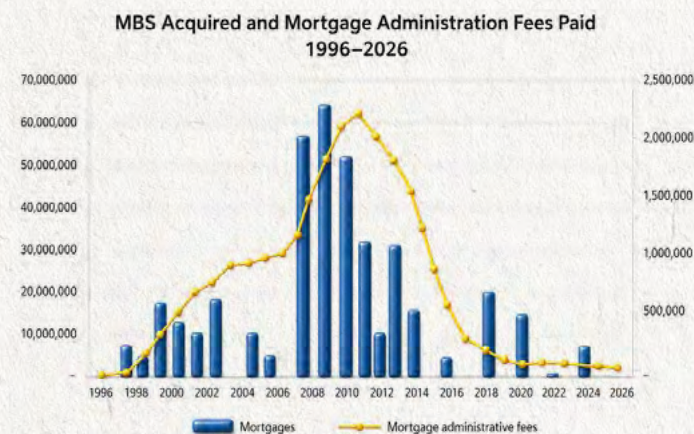
1. to develop and maintain a secondary market for residential mortgages in the member territories;
2. to promote the growth and development of the money and capital market;

It is imperative that we cogitate on the Bank's attainment of its principal objectives over the 30 years 1996 to 2026:-

Development of the Secondary Mortgage Market

The initial focus of the Bank was growth and development of the secondary mortgage market (SMM) in the member territories. The principal product used by the Bank to develop the SMM was mortgage-backed securities (MBS). The ECHMB created the SMM by purchasing pools of MBS with recourse from commercial banks and Non-bank Financial Institutions (NBFIs), collectively referred to as Primary Lenders.

As at 31st March 2026, the Bank purchased MBS totaling \$384.63m and paid more than \$20.87m in administration fees.



As shown in the graph, the bulk of the MBS were purchased between 2008 and 2011 and attributed to the 2008 financial crisis, also known as the global financial crisis (GFC). The ECHMB therefore became indispensable to the efficient function of member territories' financial landscape by ensuring an adequate flow of liquidity. By the sojourn of the GFC, the Bank provided more than \$251.50m in MBS and \$78.74m in cash and short-term deposits to financial institutions.

Other Indispensable SMM functions

Vital to the development of the SMM are the following:-

1. Advocating proper building codes
2. Improving the mortgage underwriting standards in the member countries

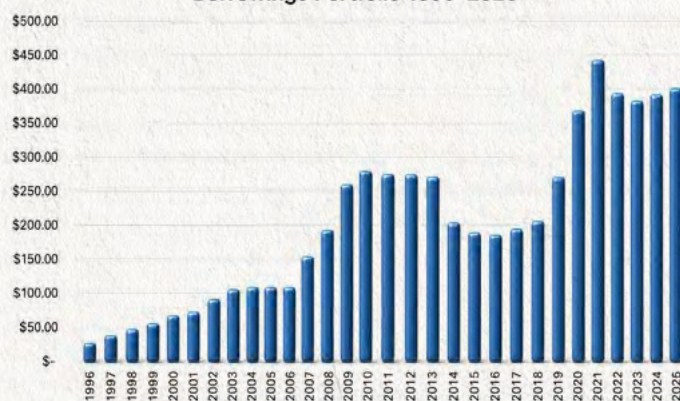
Over the preceding 30 years, the Bank's Annual Mortgage Underwriting Program has served as a vital platform to promote both initiatives.

Promoting the Development of the Money and Capital Market

The Bank commenced its operations in FY 1996 with assets under management totaling (AUM) \$9.25m. As at 31 March 2026, AUM was reported at \$562.30m. The Bank's growth was financed primarily from the issuance of corporate debt instruments on the Eastern Caribbean Securities Market (ECSM). Over the preceding 30 years, your Bank has issued cumulative debt instruments amounting to \$3.99b and paid \$225.68m in interest to investors.



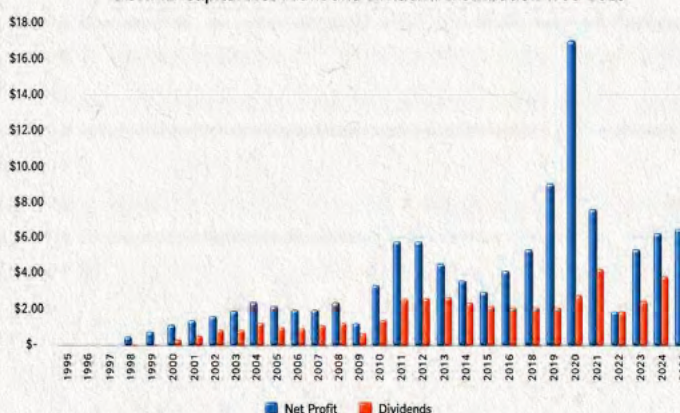
Borrowings Portfolio 1996–2026



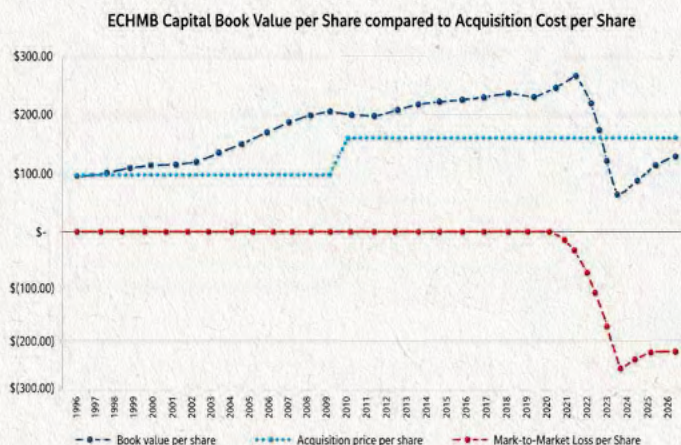
Building Shareholders' Wealth

Cumulatively, your Bank generated Net Profit for the Year totaling \$111.70m with a peak of \$17.01m reported in FY 2021. We commenced the payment of dividends from FY 2001 and to date have remitted \$50.67m to shareholders with a special payout of \$15.00 per share in FY 2021. The cumulative dividends paid represent total distribution of 45.36% of net profits generated.

ECHMB Capital Net Profit and Dividend Distribution 1995–2026



As at 31 March 2026, the cumulative average dividend per share was computed at \$188.43 representing a return of 188.43% to initial investors and 117.77% to investors in tranches two and three. This means that investors have recovered their entire capital outlay plus have the prospects of capital gains should they opt to dispose their shares.



Our Plans FY 2027 and Beyond

Our focus will be geared to availing more opportunities for wealth creation on the ECSM. We intend to achieve this through the launch of new investment grade products and increasing retail investors' access to the ECSM. We believe this will be achieved by leverage technology which will not only prove indispensable in promoting investors' education via increased information flows but also have the symbiotic benefit of lowering transaction costs.

Also high on our agenda is the development of a strategic plan for the triennium 2028 to 2030 (The Plan). We believe that a critical component of this plan is the roll-out of the ECHMB Capital Act (The Act). In addition to broadening the Bank's capital base, the Act ushers fundamental changes to the Bank's governance and enterprise risks management framework.

Given our 30 years of success in our domestic markets, it may prove opportune for the Bank to explore new markets via forward integration.

Acknowledgements

I would like to acknowledge first and foremost the strategic and timely decisions of the Board of Directors, which were critical given the significant turbulence and uncertainties of FY 2026.

To the director(s) demitting office at the 31st Annual General Meeting, I would like to place on record our profound gratitude for the significant contributions and guidance provided over your respective terms.

To the countless directors who have served the Bank over the past 30 years, without your invaluable contributions, the institution would not be the resounding success

I must commend our Executive Management Team and staff for the composure and fortitude exhibited in the face of highly volatile and unprecedented operating conditions of FY 2026.

Due acknowledgement and credit must be given to our stakeholders, particularly debt investors, for their unwavering support and commitment to ensuring the continued success of the Bank over the prior 30 years.



Executive Team

ECHMB Capital executive management team performs two critical roles: -

1

We provide strategic and operational leadership to the Bank. This includes establishing goals and objectives, development of strategic plans, and ensures the strategies are implemented within the governance framework established by the Board of Directors.

2

In conjunction with the Board of Directors, establish the vision and mission of the Bank, craft the Bank's culture and establish efficient lines of communication.



Mr. Randy Lewis

FCA, BFP, FCCA, MBA, AccDir

Chief Executive Officer

Mr. Lewis was appointed Chief Executive Officer on the 1st May 2015.

He has more than 28 years' experience in the banking, retailing, manufacturing and financial services industries. Prior to his appointment as Chief Executive Officer, he held the positions of Manager, Corporate Finance and Chief Financial Officer.

Mr. Lewis holds the prestigious designations of Fellow (FCA) and BFP with the Institute of Chartered Accountants in

England and Wales; Fellow of the Association of Chartered Certified Accountants (FCCA); associate of the Chartered Institute of Management Accountants (retired); obtained his MBA (merit) from the University of Derby.

He is an alumni of Oxford University's Strategic Leadership Program and, attained the Accredited Director designation from the Institute of Chartered Secretaries and Administrators (ICSA).

Mr. Lewis joined the Bank in 2006.



Mrs. Heidi Hypolite-Peterkin

FCCA, MBA, C Director

Chief Financial Officer

Ms. Hypolite joined ECHMB in May 2019 as Chief Financial Officer. She is a Fellow of the Association of Chartered Certified Accountants and a holder of an MBA in Finance from the University of Leicester, UK. She is also a Chartered Director with the Caribbean Governance Technical Institute.

With over 18 years' experience in the audit and accounting field, she oversees and executes the financial operations of the ECHMB. Ms. Hypolite has an unwavering commitment to being an effective team leader while working for the benefit of all stakeholders, particularly our regional investors.



Mr. Justin Skeete

MBA, Chartered Banker, MCIP, CRU, C Director

Chief Operations Officer

Mr. Justin Skeete joined the Bank in 2012 as the Systems Manager and was subsequently appointed Chief Operating Officer in 2022. In this capacity, he leads key areas such as daily operations, strategic plan execution, business continuity and resilience, regulatory compliance, stakeholder engagement, and IT transformation. His leadership is marked by a focused commitment to leveraging artificial intelligence and agile methodologies to drive innovation and efficiency. Mr. Skeete collaborates closely with the CEO to advance organizational initiatives and leverage strategic opportunities.

He holds a Master of Business Administration (MBA) in Banking from Bangor University, UK, and is a Chartered Banker with the Chartered Banker Institute, UK. He is also a Chartered Director with the Caribbean Governance Technical Institute, a Microsoft Certified IT Professional, a Business Continuity & Resilience Professional, and a Certified Residential Underwriter. Additionally, he is a registered representative on the Eastern Caribbean Securities Market.

With over 20 years of experience in the financial sector, risk management, and information technology, Mr. Skeete continuously demonstrates exceptional leadership and innovation. He has successfully led the development and implementation of numerous digital platforms, technological services, and infrastructure initiatives, including advancements in cyber and information security.





Mr. Chay Grant

BA, MSc, C Director

Chief Investment Officer

Mr. Grant joined the ECHMB Capital family in November 2022 and holds the position of Chief Investment Officer (CIO). Mr. Grant has over 14 years of experience in the international capital market space in both front office and middle office, with years of experience leading teams responsible for portfolio management, and portfolio risk and compliance implementation. He brings to the organization perspective on investment policy documentation and execution, supported by his experience in the field.

A native of Saint Lucia, Mr. Grant holds a Bachelor of Arts (BA) in Finance from the University of Western Ontario, and a Master of Science (MSc) in International Securities, Investment and Banking from the Henley Business School, University of Reading. He is also a Chartered Director with the Caribbean Governance Technical Institute.



Mrs. Kamilah Anderson-Rodgers

BSc, MSc, C Director

Chief Risk and Compliance Officer

Mrs. Kamilah Anderson-Rodgers joined ECHMB Capital in March 2024 and assumed the position of Chief Risk and Compliance Officer. She is a well-rounded individual with over 12 years of experience in risk management, economics, banking regulation and anti-money laundering compliance at various institutions. She has also attained an MSc. Economics from Warwick University, U.K and a BSc. Economics & Accounting from Cave-Hill, Barbados.

Originally from St. Vincent and the Grenadines she understands how diverse landscapes and people can work together towards a common goal and will utilize this background to drive stakeholder input and commitment to risk management and compliance.





Shaka St. Ange
Treasury Manager



Naheem Aroudel
Investment Manager



Debrone D. Burke
Investment Analyst



Jarelle Amade
Investment Analyst



Dilshorn Peters
Accountant



Terry Clarke
Accountant



Jodie Webbe
Administrative Assistant



CORPORATE GOVERNANCE



Key Board Statistics

NATIONALITY



AGE



TENURE



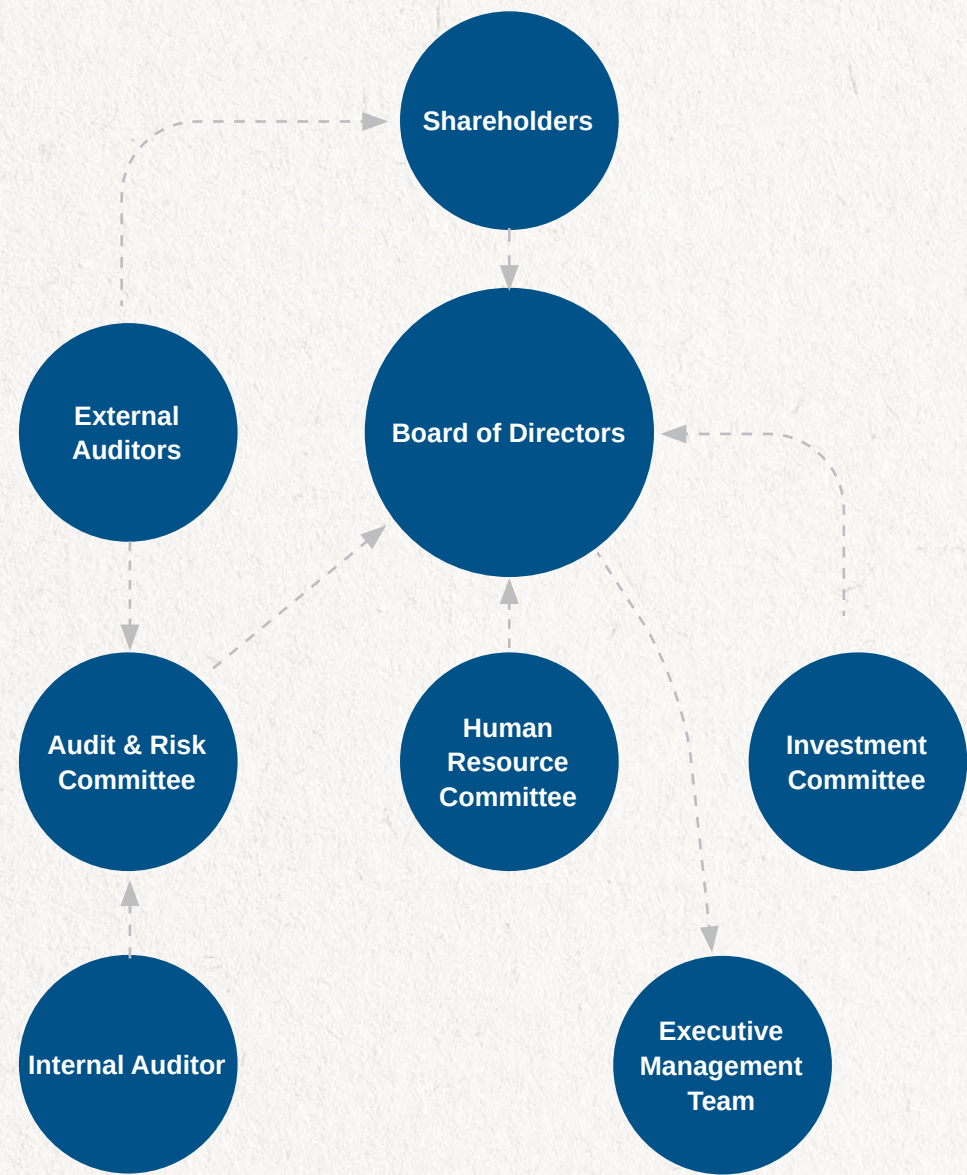
GENDER



The Role and Responsibility of the Board of Directors

The Board of Directors (the Board) has ultimate responsibility for ECHMB Capital's corporate governance and risk management. In keeping with its principal responsibilities, the Board continues to ensure that the highest standards in corporate governance are maintained, with the objectives of reinforcing the confidence and trust of the investing public, increasing stakeholders' satisfaction and building a strong and ethical regional institution.

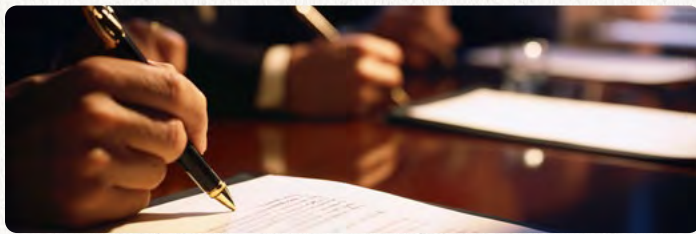
ECHMB Capital's Corporate Governance Structure



On an annual basis, ECHMB Capital adopts the latest developments in corporate governance to ensure that its procedures align with the best international practices. The fundamental approach adopted is to ensure that the right executive leadership, corporate strategy, internal controls, and risk management procedures are in place. In addition, the Board continuously reviews its governance model to ensure relevance and effectiveness as the Bank faces future challenges exacerbated by uncertain economic conditions.

It is the responsibility of the Board to periodically review and approve the overall strategies, business, organisation, and significant policies of the Bank. The Board also sets the Bank's core values and adopts proper standards to ensure that the Bank operates with integrity.

The responsibilities of the Board include the following: -



Governance

Developing the Bank's approach to corporate governance principles and guidelines

Establishing committees of the Bank, appoint Chairs for the respective Committees and approve the appropriate Terms of Reference.

Ensuring adherence to corporate governance policies and guidelines and codes of conduct as well as regulatory and statutory requirements.



Strategy

overseeing and approving the Bank's strategic direction, devising an appropriate organisational structure and instituting adequate succession planning of senior executives.

Reviewing and approving the Bank's operating budget and forecasts and reviewing actual performance against plans and forecast/budgets.



Internal Controls

providing oversight of the Bank's internal controls and management information systems.

Evaluating and reviewing the adequacy of the Bank's compliance with applicable laws, rules and regulations.

Ensuring compliance with relevant policies



Financial Performance

Evaluating the actual operating and financial results of the Bank against the strategy plans, operating budgets and key performance indicators.

Ensuring the Bank financial reports accords with the requirements of the Bank's statutory provisions



Human Resource

Appointing members of the senior management team

Establishing KPLs for the senior Executive Team

Agreeing on the objectives of the General Manager/ Chief Executive Officer and reviewing his/ her performance



Risk Management

Approving the Company's risk framework and policies and ensuring alignment with the Company's business strategy and goals.

Identifying the key business risks, approve risk mitigation policies and practices and oversee the implementation of appropriate systems to enable compliance with such policies.



Communication

Ensuring the Bank remains in compliance with its statutory obligations regards annual general meetings

Ensuring the development of infrastructure to facilitate timely and accurate disclosure of information required to be disclosed.

Director Independence

The Board consists entirely of Non-Executive Directors who help to provide solid and effective oversight of Senior Management. The Directors do not participate in the day-to-day administration of the Bank. They do not engage in any business dealings or other relationships with the Bank (other than in situations permitted by the applicable regulations) in order to ensure that they remain truly capable of exercising independent judgement and act in the best interests of the Bank and its shareholders.

Further, the Board is satisfied and assured that no individual or group of Directors have unfettered powers of decision that could create a potential conflict of interest. Additionally, the Board ensures that all Independent Non-Executive Directors possess the following qualities: -

- ability to challenge the assumptions, beliefs, or viewpoints of others with intelligent questioning, constructive and rigorous debating, and dispassionate decision making in the interest of the Bank;
- willingness to stand up and defend his own views, beliefs, and opinions for the ultimate good of the Bank; and
- a good understanding of the Bank's business activities to appropriately provide responses on the Board's various strategic and technical issues.

Quality and Supply of Information to the Board

To effectively discharge its duties, the Board has full and unrestricted access to all information pertaining to the Bank's business and affairs and the advice and services of the Senior Management. In addition to formal Board meetings, the Chairman maintains regular contact with the Chief Executive Officer to discuss specific matters. The latter, assisted by the Corporate Secretary, ensures that frequent and timely communication between Senior Management and the Board is maintained as appropriate.

Corporate Secretary

The Corporate Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures, and regulations affecting the Board and the Bank and best practices of governance.

She is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosing any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities, and restrictions on disclosure of price-sensitive information. All Directors have access to the advice and services of the Corporate Secretary.

Whistle Blowing Policy

The Bank is committed to the highest possible standards of openness, probity and accountability. In line with that commitment it encourages employees and others with serious concerns about any aspect of the Bank's work to come forward and voice those concerns. It is recognised that certain cases will have to proceed on a confidential basis.

Our whistleblowing Policy makes it clear that employees can do something without fear of reprisals. Our Whistleblowing Policy is intended to encourage and enable employees to raise serious concerns within the Bank rather than overlooking a problem or blowing the whistle outside.

Our Whistle blowing Policy aims to:

- Provide avenues for staff to raise concerns and receive feedback on any action taken;
- Allow staff to take the matter further if they are dissatisfied with the executive managers' response;
- Reassure staff that they will be protected from reprisals or victimization for whistle blowing in good faith.

Structured Training Program for Directors

Directors are expected to participate in the Directors Education & Accreditation Programme (DEAP). This is an advanced director training course aimed at preparing directors for the important role they play in the Bank's governance.

In FY 2026, The Board received presentation and training on the following topical issues: -

- A. General investment strategies and management
- B. Enterprise Risk Management
- C. Know Your Customer (KYC)

The Skills and Expertise of the Board

Our directors have diverse skill sets, experience and backgrounds which include local and international experience in banking, business, strategic management, manufacturing, tourism, accounting, education and law, and they are recognized as strong leaders in their respective fields of work and experience.

Areas of Expertise	Timothy Antoine	Stewart Haynes	Michael Spencer	Sandra Derrick	Aylmer Irish
Leadership	X	X	X	X	X
Strategy	X	X	X	X	X
Accounting	–	X	X	–	X
Auditing	–	X	–	–	X
Risk management	X	X	X	X	X
Legal/compliance regulatory	X	–	–	–	–
Human Capital management/compensation	X	X	X	X	X
Finance	X	X	X	X	X
Governance	X	X	X	X	X
Capital markets	X	X	–	X	–
Wealth management	X	X	–	–	–
Retail and consumers	–	–	X		X
Technology	–	–	–	–	–
Marketing	–	–	X	–	X
Environmental social and governance matters	X	X	X	X	X

Conflict of Interest

In accordance with Article 27 of the Eastern Caribbean Home Mortgage Bank Agreement, a Director who is in any way interested, whether directly or indirectly, in a contract or proposed contract with the Bank or whose material interest in a company, partnership, undertaking or other business is likely to be affected by a decision of the Board shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts come to his knowledge. Article 27 further provides that after making the disclosure, the Director shall not vote on the matter and, unless the Board otherwise directs, and shall not be present or take part in the proceedings of any meeting at which the matter is being discussed or decided by the Board.

Directors' Interest (Ordinary Shares of ECHMB Capital)

Name	Position	Direct Holding 31 March 2026	Indirect Holding 31 March 2026
Timothy N.J. Antoine	Chairman	Nil	Nil
Stewart Haynes	Deputy Chairman	Nil	Nil
Michael Spencer	Director	Nil	Nil
Sandra Derrick	Director	Nil	Nil
Aylmer Irish	Director	Nil	Nil

Meetings of the Board

Article 21 (section-1) of the Eastern Caribbean Home Mortgage Bank Agreement-Meeting of the Board states, the Board shall meet not less than once every three months, and meetings shall be held at such time and place and on such days as the Board may determine. Notwithstanding the provisions of Section-1 of this article, decisions may also be made by the Board or in a meeting convened upon circulation of the relevant papers among members of the Board.

Directors	Number of Meetings in FY 2026
Timothy Antoine – Chairman	3/4
Stewart Haynes	4/4
Michael Spencer	3/4
Sandra Derrick	4/4
Aylmer Irish	4/4

Key Attendees

- Chief Executive Officer
- Chief Financial Officer
- Chief Investment Officer
- Chief Operating Officer
- Chief Risk and Compliance Officer

At all times, our directors are expected to exercise sound, independent, business judgment in the best interest of the Bank and to balance the interests of various stakeholders.

Directors' Remuneration

ECHMB Capital is committed to maintaining a remuneration structure for Directors that is fair, transparent, and competitive, and that supports the Bank's strategic objectives while promoting accountability.

Directors' compensation is designed to reflect the commitment, responsibilities, and expertise that each role demands, and to ensure that the Company can attract, retain, and motivate professionals of the highest caliber.

The key features of ECHMB capital's Director remuneration policy are as follows:

- **Market Competitiveness** — The Board periodically reviews remuneration levels to ensure they remain competitive within the industry, while exercising prudent financial stewardship of the Bank.
- **No Share-Based Incentives** — Directors do not receive stock options or performance linked incentives.
- **Fee-based compensation** — Directors receive fixed fees commensurate with their roles, committee memberships, and any additional responsibilities assigned by the Board.
- **Transparency and Disclosure** — In accordance with good governance practice, MJE discloses Director remuneration in its Annual Report, ensuring full transparency and accountability to shareholders.

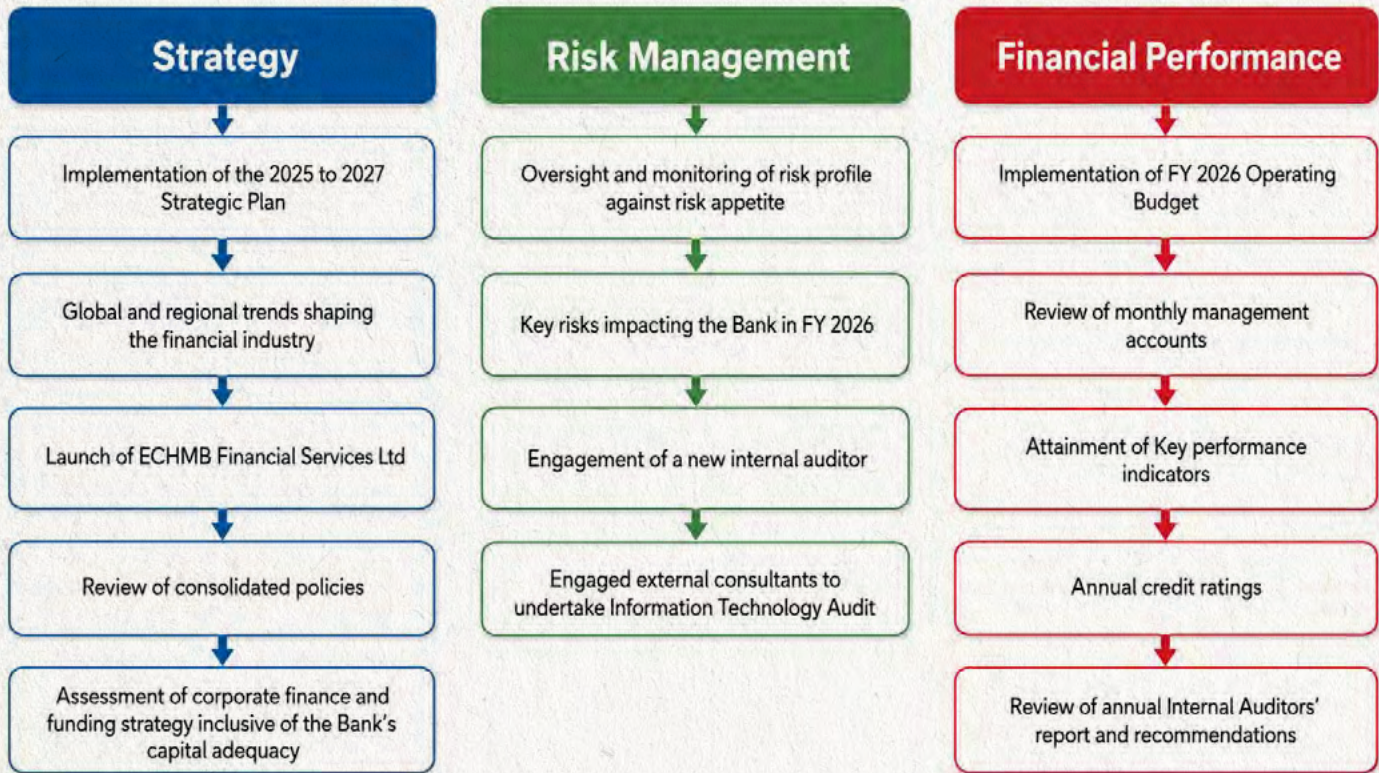
Shareholders' Rights and Responsibilities

The Board of Directors is committed to fostering a transparent and constructive relationship with shareholders by providing meaningful avenues for engagement and ensuring that shareholders have timely access to relevant information. The Board recognizes the importance of ongoing dialogue with shareholders and remains dedicated to strengthening these relationships over time.

The Annual General Meeting (AGM) serves as a principal forum for direct engagement between shareholders and the Board. Shareholders are encouraged to attend and participate actively, including by posing questions to the Chairman and other Directors present.

Minutes of the AGM are prepared and made available to shareholders in the interest of transparency and accessibility. Beyond the AGM, the Company employs a range of communication channels to provide shareholders with equitable and timely access to material information. These include ^d statements, and updates disseminated through both traditional and digital media channels.

Focus Deliberations FY 2026



Audit and Risk Committee

Members and attendance at Meetings



Aylmer Irish
Chairman



Stewart Haynes
Director



Michael Spencer
Director

Aylmer Irish – Chairman	4/4
Stewart Haynes	4/4
Michael Spencer	2/4

The Audit & Risk Committee provides guidance on the Bank’s systems of accounting and internal controls, thus ensuring the integrity of financial reporting. This Committee also serves as an effective liaison between Senior Management and External Auditors.

The 2026 activities of the Committee included:

- Provide an open avenue of communication between the Board of Directors and the external and internal auditors.
- Provide oversight to the work of the external auditors and make recommendations on their appointment and compensation.
- Make recommendations on the appointment of the internal auditor.
- Review and approve the audit plan of the external auditor and the effectiveness of the internal audit function.
- Review with the internal and external auditors, the adequacy of the Bank’s internal control systems.
- Review with management and the external auditors, the Bank’s annual financial statements for publication as well as the auditor’s report thereon, the auditor’s Management Letter and any differences with management, which may have arisen during the audit.
- Oversee the work of the internal auditor and review internal audit reports and the related actions taken by management.

- Review any legal or regulatory matters of a financial nature affecting the Bank.
- Meet with the external and internal auditors in executive sessions to discuss any matters, which it determines should be discussed privately.
- Review any frauds committed as well as actions taken by management to control and mitigate such risks.
- Investigate any matter within its scope of responsibilities.

The Audit and Risk Committee also oversee the implementation of an effective process for managing the Bank’s interest rate, liquidity, and similar market risks relating to the Bank’s balance sheet and associated activities, including the adoption from time to time of policies, risk limits and capital levels. Audit and Risk Committee will review and discuss the Assets and Liabilities Management (ALM) strategy with Management, and after taking into consideration any matters that the Audit and Risk Committee may deem advisable and appropriate, including Management recommendations.

In fulfilling its responsibilities, the Audit and Risk Committee will review and approve, at least annually, the following policies:

- Liquidity & Funding Policy
- Dividend Policy
- Enterprise Risk Management Policy
- Information Technology (IT) Policy

Investment Committee

Members and attendance at Meetings



Stewart Haynes
Chairman



Aylmer Irish
Director



Sandra Derrick
Director



Randy Lewis
Chief Executive Officer

Aylmer Irish	5/5
Stewart Haynes – Chairman	4/5
Sandra Derrick	5/5
Randy Lewis	5/5

The Investment Committee (IC) has been established to assist the Board of Directors by assessing the adequacy and oversight of the implementation of the Bank Investment Policy.

The 2026 activities of the Committee included:

- Advise the Board of Directors on investment strategies and policy.
- Evaluation of the performance of the investment management function.
- Oversee the implementation of the Investment Policy.
- Monitor management's strategic investment activities such as asset allocation targets, rebalancing policy, and other significant investment functions.
- Monitor compliance with external regulations.
- Review the status of the securities portfolio, including performance, appreciation or depreciation, quality, maturity profile and any actions taken by management with respect thereto.

- Review and determine whether to approve the holdings of investment securities (including prudent investments) that are subject to the IC's authority to approve under the Investment Policy or Board of Directors resolutions.
- Review significant financial risk exposures facing the Bank in its investment portfolio, and the steps management is taking to monitor and control such exposures.
- Monitor compliance with the provisions of the Enterprise Risk Management Policy and applicable standards relating to the management of counterparty credit risk, including, but not limited to, reviewing limits on counterparty exposure and reviewing limits on individual transactions based on risk.
- Review and approve procedures and systems the management has established to implement the Board's objectives and limits for each portfolio, taking into account applicable laws, regulations, and current accounting standards for each part of the portfolio.
- Establish the company's investment policies and guidelines and review them at least every three years.
- Review the Management Letter points relating to the Investment Portfolio.

Human Resource Committee

Members and attendance at Meetings



Sandra Derrick
Chairman



Timothy Antoine
Director



Michael Spencer
Director

Sandra Derrick – Chairman	6/6
Timothy Antoine	6/6
Michael Spencer	6/6

The Human Resource Committee of ECHMB Capital has been established to guide the strategic human resource development of the Bank and to provide oversight of the framework governing the ECHMB Capital's human resource policies.

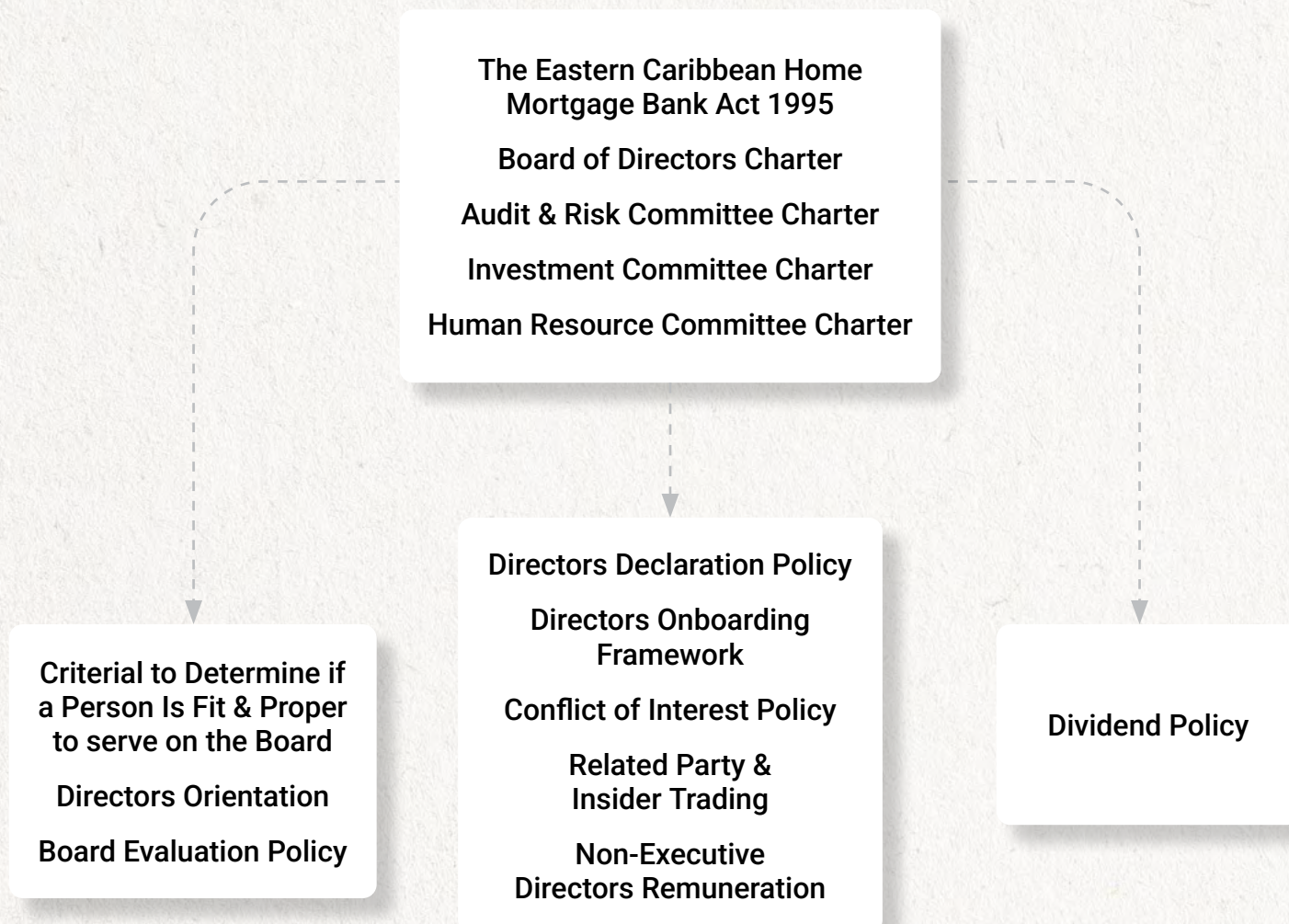
The 2026 activities of the Committee included:

- Review and make recommendations to the Board of Directors on the ECHMB's Human Resource policies, practices and organisational structure to ensure consistency with the ECHMB's Strategic Plan, ensure organisational effectiveness and efficiency, nurture the human resource skills sets towards fostering a harmonious work environment.

- Review of the compensation package of executive management.
- Review and make recommendations to the Board of Directors on the ECHMB's performance management and development system to ensure a fair and regular measure of individual performance across the institution and that the key performance targets of the ECHMB are aligned with individual performance measures.
- Review and make recommendations on the ECHMB's management succession plans to facilitate proper management planning. The succession plans for non-management will be the responsibility of the CEO.
- Review and make recommendations on management/ leadership development.
- Recruitment and redundancy of staff.
- Staff promotion.

Governance Policies

The Company's governance framework is supported by a series of other critical policies



Gillian Skerritt
Corporate Secretary



Report of the Board of Directors

The Directors submit herewith the Statement of Income, Expenses, Unappropriated Profits, Assets and Liabilities of the Eastern Caribbean Home Mortgage Bank (ECHMB Capital)

Financial Results and Dividends

	\$'000
Net income attributed to shareholders	6,918
Dividends – \$5.00 per share for FY2026 5.0% preference shares	(3,839)
Transfer to reserves	(614)
Net profit for the year after distributions	2,466
Retained earnings at the beginning of the year	27,487
Retained earnings at the end of the year	29,953

Dividends

A final Dividend of \$5.00 per share was declared on 3rd October 2025

The dividend paid on 4th October 2025

Substantial Interests in ECHMB Capital's Share Capital as at 31st March 2026

Shareholders	Fully paid up Ordinary Shares	% of Issued Share Capital
Eastern Caribbean Central Bank	66,812	24.86%
National Cooperative Credit Union, Dominica	20,500	7.63%
CLICO International Life Insurance Limited, Barbados	20,000	7.44%
Dominica Social Security	15,008	5.58%

There have been no changes in these interests between the end of the ECHMB Capital's There have been no changes in these interests between the end of the ECHMB Capital's financial year and the date of the Notice convening the Annual General Meeting.

Statement of Affairs

In the opinion of the Directors, there were no changes in the state of the affairs of the Bank during the financial year.

Re-election of Directors

Article 15 (1) of the Eastern Caribbean Home Mortgage Bank Agreement provides that:- (a) a director holds office for two (2) years and shall be eligible for re-appointment; (b) a vacancy in the Board shall be filled by the Class of shareholders which appointed the director to be replaced; and (c) a director appointed to fill a vacancy holds office for the un-expired term of his predecessor.

The two (2) year term of the current Board of Directors expires at the 31st Annual General Meeting in 2026, and all Members are eligible for re-appointment.

Events Subsequent to Statement of Financial Position Date

The Directors are not aware of any transaction which has arisen since 31st March 2026 that has had a material effect on the operations of the Bank and for which adequate disclosures have not been made in financial statements.

Appointment of Auditors

Article 23 of the Eastern Caribbean Home Mortgage Agreement provides that shareholders shall at each Annual General Meeting appoint an auditor to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting.

The Auditors, PKF (Grenada), retired at the financial year ended 31st March 2026. The Auditors are eligible for re-appointment and have offered themselves as External Auditors for the year ending 31st March 2027.

The Board of Directors recommends their re-appointment.

OUR RISK & RESILIENCE



Building Shareholders' Value Through Risk Management

ECHMB Capital's principal risk management objective is to ensure that there is an appropriate balance between the Bank's risk appetite and return. The Bank has implemented an enterprise risk management (ERM) framework to identify, monitor and manage risk. The Bank's ERM framework is designed to ensure maximum understanding of the various types of risks likely to impact the institution, comprehensive risk assessment and continuous monitoring.

Management of Key Risk



Market Risk



Liquidity Risk

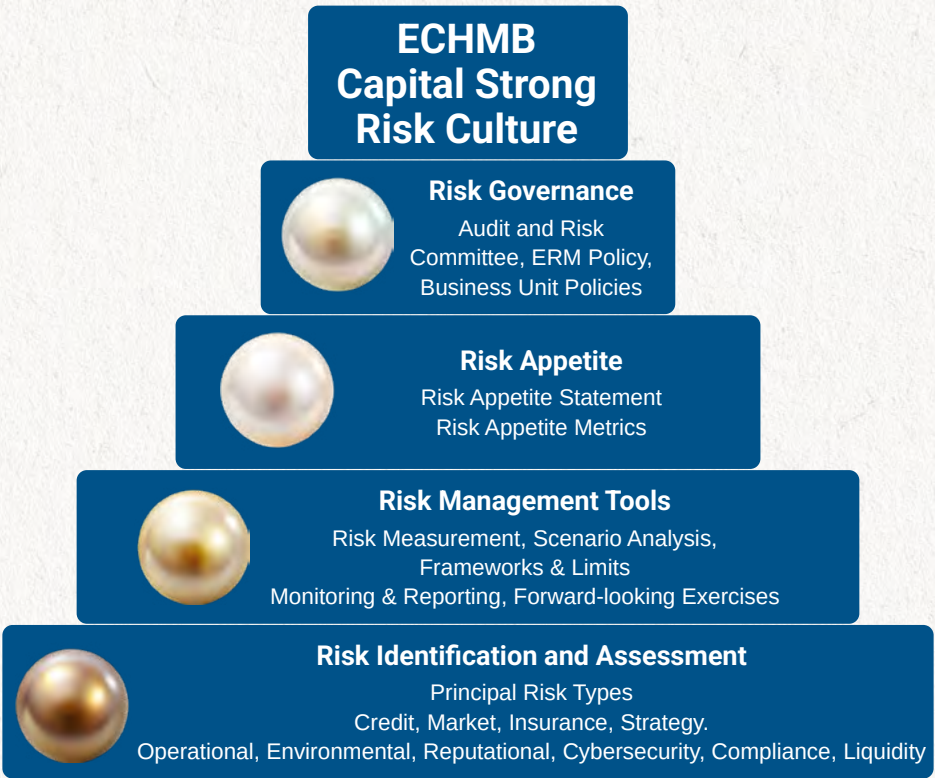


Credit Risk



The Bank’s Risk Management Framework

The primary objective of the ECHMB capital's risk management is to ensure that risk-taking activities are aligned with the Bank’s strategy while maintaining a balanced risk-reward profile that supports sustainable value creation. The Bank’s Enterprise Risk Management (ERM) Framework provides the foundation for achieving these objectives, supporting continuous oversight of the overall risk profile and alignment with our business strategy and objectives.



ECHMB Capital Risk Management Framework

The framework also provides guidelines for effective communication and stipulates a distinction between:those who establish risk policy, processes (i.e., assessment) and methodologies (i.e., monitoring and reporting);

- those who establish risk policy, processes (i.e., assessment) and methodologies (i.e., monitoring and reporting);
- those involved in taking and managing risks; and
- those who provide assurance that all significant risks are appropriately identified, assessed, managed, monitored and reported.

ECHMB Capital is committed to ensuring that effective risk management plays a central role in all its activities and is a core management competency. Compliance is essential in ensuring the continued integration of risk into the culture and values of the Bank. The Bank’s ERM framework is subject to constant evaluation in order for it to meet the challenges and requirements of the markets in which the Bank operates, including regulatory standards and industry best practices.

ECHMB Capital's Risk Management Vision

The vision for ECHMB Capital's ERM strategy is to ensure that risk management is embedded in the Bank's processes and culture, thus contributing to the achievement of its core objectives.

ECHMB Capital's Risk Management Objectives

The objectives of ERM Policy are to ensure: Existing and potential material risks that could impact the achievement of strategic objectives of ECHMB Capital are identified, managed or mitigated;

- Techniques to manage risk (i.e., avoidance, reduction, transforming, sharing, and retention) are applied appropriately;
- Appropriate resources are allocated to controllable, accepted risk areas; and
- Non-controllable risks are identified, monitored, understood and mitigated where possible.

ECHMB Capital's Principles of Risk Management

The ERM process is guided by the following key principles:

- **Philosophy** – ECHMB Capital will take on a level of risk in line with its risk appetite. Since a proactive and systematic approach to managing risk can result in benefits to the Bank (i.e., enhanced investment performance and investment grade credit ratings), the aim is to manage and control risk appropriately rather than avoid or eliminate it. Strong ERM practices allow for more informed risk-taking and decision-making.
- **Culture** – ECHMB Capital fosters a corporate culture which accepts informed risk-taking within a pre-determined range as fundamental to its business provided that risk identification, mitigation and monitoring processes are established to ensure the continuing strength of the organization.

- **Education** – ECHMB Capital promotes training and risk awareness among its board members and its employees.
- **Learning** – ECHMB Capital promotes the review of past risk events to capture learning from this experience.
- **Standards** – A common approach to risk management and reporting is in place to promote consistency and best practices in managing, monitoring and reporting of risk including a “common language” used by the Bank in discussing risk.
- **Risk ownership** – Responsibility for the design of the risk management framework (the “Framework”) lies with the Senior Executive Team. To support this responsibility, the Bank will identify functions with roles in the management, monitoring and reporting of risk exposures.
- **Independent assurance** – ECHMB Capital will obtain periodic independent assurance (i.e., Internal Audit and/or external audit/ Risk and Compliance Officer) that systems of risk management and internal controls are operating efficiently and effectively.

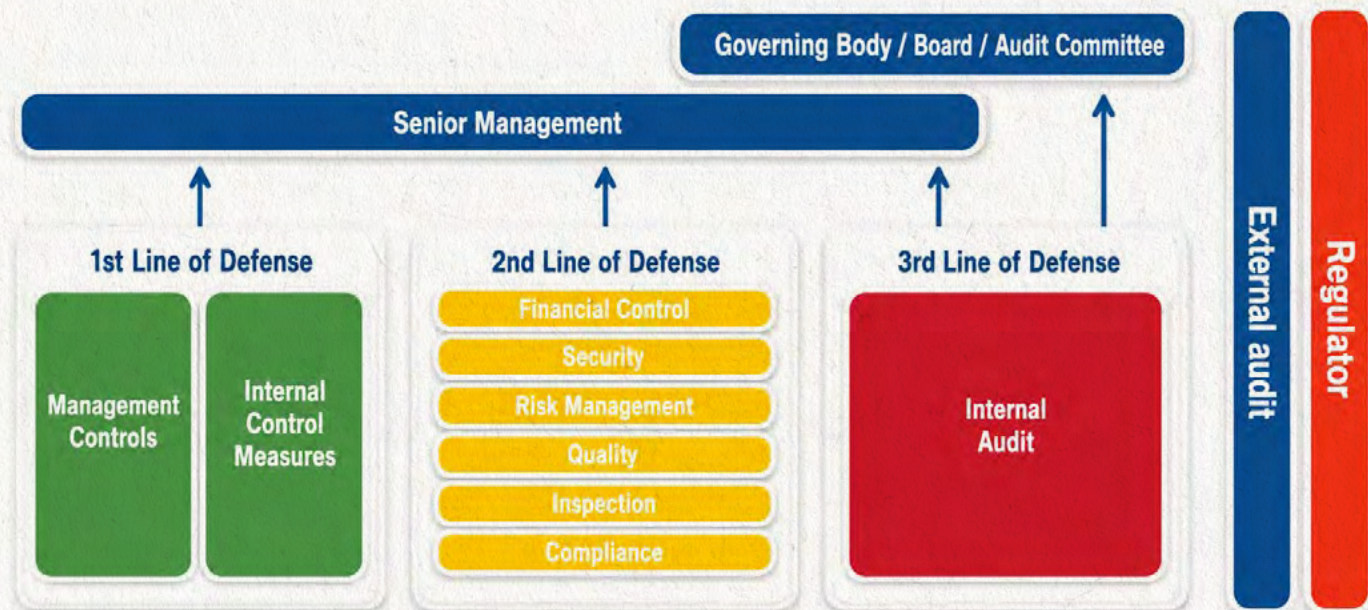
Roles and Responsibilities for the Management of Risk

ECHMB Capital has implemented the three lines of defense model for effective risk management and control which are consistent with the above basic principles. The Three Lines of Defense model distinguishes among three Banks (or lines involved in effective risk management:

- Functions that own and manage risks.
- Functions that oversee risks management function.
- Functions that provide independent assurance and oversight.



The Three Lines of Defense Model



First Line of Defense-Functions that Own and Manage Risks

Staff Members are Responsible for:

- Managing and reporting risks at the source; and
- Adhering to processes and procedures which are designed to manage risks associated with the work they perform.
- Senior Management is Responsible for:
- Championing a risk management culture within the organization;
- Maintaining current risk profiles for their areas of responsibility;
- Ensuring appropriate resources are allocated, in alignment with established risk appetite targets, for assessing and managing risks;
- Developing and implementing a risk management plan for the organization;
- Ensuring that the significant risks that may impact upon objectives are being consistently and continuously identified, assessed, managed, monitored and reported on.

The Board of Directors is Responsible for:

- Establishing the Bank's risk appetite;
- Providing oversight and support management by overseeing the facilitation and coordination of ERM and strategic planning activities across ECHMB Capital; and

- Annually review of ECHMB Capital's policies were adequately implemented to enable the Bank's to manage its risk exposures.

The Audit and Risk Committee is Responsible for:

The Committee will oversee the implementation of an effective process for managing the Bank's interest rate, liquidity, and similar market risks relating to the Bank's balance sheet and associated activities, including the adoption from time to time of policies, risk limits and capital levels. The Committee will review and discuss the Assets and Liabilities Management (ALM) strategy with Management, and after taking into consideration any matters that the Committee may deem advisable and appropriate, including Management recommendations.

In fulfilling its responsibilities, the Committee will review and approve, at least annually, the following policies:

- Liquidity & Funding Policy
- Dividend Policy
- Enterprise Risk Management Policy
- Information Technology (IT) Policy

Second Line of Defense Functions that Oversee Risks

The Risk and Compliance Officer is Responsible for:

- Assisting with the development, maintenance and consistent application of the Bank's ERM framework;
- Monitoring the risk exposures and ERM activities of ECHMB Capital;
- Ensuring that a robust reporting framework is developed that ensures day-to-day decisions are made in line with

Board of Directors approved risk appetite targets;

- Maintaining a risk register that provides for the recording, monitoring and management of risk; and
- Reporting to the Audit and Risk Committee on the significant risks affecting ECHMB Capital and how such risks are being managed.

Third Line of Defense-Functions that Independent Assurance

The Internal Auditor is Responsible for:

- Providing objective assurance to the Committee on design and the effectiveness of ECHMB Capital's risk management policies, procedures and internal controls.

ECHMB Capital Statement of Risk Policy and Risk Appetite

- ECHMB Capital recognizes that it is not possible or necessarily desirable to eliminate some of the risk inherent in its activities to satisfactorily fulfil its role in the development of the ECCU's money and capital markets and the creation of the secondary mortgage industry. The Bank will therefore take the necessary measures available to control risks within acceptable levels.

Identification, Measurement and Assessment of Risk

The measurement of risk is completed considering both quantitative and qualitative means using the "Likelihood" and "Impact Criteria" as developed by Management and as

reviewed by the Audit and Risk Committee. In assessing the risks required to grow and sustain the business, ECHMB Capital considers the following strategic goals and objectives:

- ECHMB Capital understands and manages risks that support businesses which are central to the Bank's strategy;
- ECHMB Capital pursues a reasonable level of risk to achieve target risk-adjusted returns;
- ECHMB Capital completes a risk assessment of new products and proposals in a manner consistent with the ERM strategy; and
- Based on the risk assessments, ECHMB Capital will reduce or avoid risks that are not central to the achievement of the ERM strategy.
- Mitigation of exposure to significant loss from businesses, products, processes or other events.



Principal Types of Risks

ECHMB's business is influenced by many risk factors that are difficult to predict and may materially affect actual results. Our major risks include credit, funding and liquidity risks which we prudently manage and mitigate. We have identified emerging operational risk that are likely to impact our operations in the near future and alter our business strategy accordingly.



Credit Risk



Liquidity Risk



Market



Balance Sheet



Strategic Risk



Operational Risk



Cyber Risk



**Regulatory, Accounting
and Compliance**



Reputational Risk

Financial Risks

Credit Risk

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due.

Credit Risk Assessment - FY 2026

- The Bank's maximum exposure to credit risk or financial instruments subject to impairment was reported at \$568.6. The Bank's largest credit risk exposure by jurisdiction is to the USA totaling \$275.1m or 49.19%.
- The investments portfolio accounted for \$429.0m (75.72%) of the Bank's maximum credit risk exposure.
- The amount of \$405.3m (94.48%) of the investment portfolio was classified as Stage -1 of the Bank's ECL Staging. Allocations totaling \$17.44m (4.06%) were assigned to Stage-2 with \$6.22m (1.45%) classified as Stage-3.
- The amount of \$365.8m (86.37%) of the investment portfolio was rated Baa1 to Baa3 or higher.
- The total expected credit loss on the investment portfolio as at FY 2026 totaled \$7.0m (1.63%).

Management's Response

- The Investment Committee held five (5) meetings and on each occasion, a credit risk assessment report was tabled.
- Instrument proposals are subjected to a comprehensive risk assessment before acquisition.
- Updated the Investment Policy Statement, introducing benchmark ranges for the duration and risk metrics.
- Adopted a conservative assets allocation strategy with emphasis placed on instruments classified as amortized cost and precluded instruments classified as fair value through the profit and loss account. (FVTPL).
- Strengthened the Investment Department Management Team for more effective supervision.
- Undertook annual stress testing of the investment portfolio.
- Restricted acquisitions to instruments with credit ratings which exceeded Baa1 to Baa3
- Enhanced use of Bloomberg terminals to facilitate investment research capabilities and strengthen risk assessments.
- Ensured continual training of the investment and risk management teams.

Liquidity Risk

Liquidity risk is the combined risk of loss to earnings or capital that arises from ECHMB Capital's inability, albeit temporarily, to meet its financial obligations as they fall due (funding liquidity risk), and that the liquidity in financial markets, such as the market for debt securities has reduced significantly (market liquidity risk).

Liquidity Risk Assessment - FY 2026

- The Bank had a reduction in net cash flow from operations totaling \$12.3m due to an increase in receivables at the end of the FY2026.
- The Bank successfully repaid borrowings and other borrowed funds totaling \$387.75m and \$135.14m respectively.
- The Bank raised borrowings totaling \$402.07m.
- Net cash inflows totaling \$55.84m was generated from sale/maturity of financial assets.
- Invested free cash and cash equivalents totaling \$76.74m.
- Net cash and cash equivalents increased by \$8.16m.
- The Bank reported a liquidity deficit of \$86.88m for instruments scheduled to mature within 3 months and a deficit of \$259.84m on instruments scheduled to mature between 3 to 12 months.
- The Bank reported significant long-term surpluses on instruments scheduled to mature over 5 years.

Management's Response

- The Bank is required to prepare annual operating budget and cash flow forecasts which are subject to sensitivity analysis.
- The Bank maintains cash buffers totaling \$25.00m which are invested in money market financial instruments
- The Bank has negotiated favourable credit lines with international financial intermediaries
- The Bank has restricted the tenure of its fixed income portfolio to a maximum of five (5) years
- The Bank has developed a comprehensive funding and liquidity policy
- Maintains a portfolio of unencumbered, high-liquid, high credit quality assets - money market instruments with maturities 1 month or less and rated A1/P1 by Moody's or A+ by S&P/Fitch.
- In excess of 55.0% of Bank's financial instruments are traded in an active market and hence, available for sales in the event of a liquidity crunch.
- The Bank has undertaken annual liquidity stress tests and has earmarked sources of liquidity in the event of a liquidity crunch.

Market Risk

Market risks are defined as the risk of loss in the market value of financial asset positions due to variations in exchange rates, interest rates, credit spreads, and equity prices. ECHMB Capital is exposed to market risks primarily through interest rate sensitivity, changes in credit spreads, and equity price movements of its marked-to-market investment assets.

Market Risk Assessment - FY 2026

- The Bank was subject to an interest sensitivity gap of \$126.35m from financial instruments scheduled to mature within 3 months.
- The Bank was subject to a interest rate sensitivity gap of \$257.07 m from financial instruments scheduled to mature between 3 to 12 months.
- The Bank reported positive interest rate gaps from financial intruments scheduled to mature after 1 year. It therefore follows that short-term liabilities totaling \$404.6m with a maximum duration of 1 year were used to finance assets under management.
- Non-interest bearing assets accounted for 47.35m or 8.43%.
- The amount of \$452.09m (80.81%) of the Bank's assets under management were held in United States Dollars. The amount of \$67.56m of the Bank's liabilities were held in United States Dollars
- The Bank reported a net gap of \$301.67m to Eastern Caribbean Dollars
- The Bank has a positive gap of \$384.53 on United States Dollars

Management's Response

- The Bank maintains a portfolio risk reserve. The Board of Directors has agreed to an annual allocation to the reserve fund of 20% of profits after the appropriation for dividends. The portfolio risk reserve was reported at 25.6m in FY 2025.
- The coupon rate on the Bank's liabilities are fixed at 3.00%.
- The Bank has a "cut-off" rate for the acquisition of investments
- The Bank has a target net interest income percentage benchmark of 50.00%
- The Bank is rated annually by CariCRIS and is currently rated CariA- (investment grade)
- The Bank applies a laddering strategy at all times to help smooth out the effects of interest rate fluctuations.
- The Bank continues to diversify its investment portfolio in terms of jurisdiction, instrument types, and currency exposure.
- The Bank has unrestricted access to United States Dollars.
- The Bank minimizes the variations in earnings, capital and cash flow arising from the impact of exchange rate movements by transacting only in EC-denominated or US-denominated instruments.
- A market outlook report and recommendations are tabled at each meeting of the investment committee.

Balance Sheet Risk

The Bank acknowledges that all the above risks can have a material impact on its balance sheet and performance. The Bank regards it as desirable to hold sufficient reserves to absorb potential losses.

Balance sheet Assessment - FY 2026

- The Bank reported a loss on fair value reserve totaling \$56.71m
- The debt-to-equity ratio was reported at 4.72:1

Management's Response

- The Bank has adopted a conservative assets allocation strategy with new acquisitions classified as amortized cost and avoids assets classifiy as FVTPL or fair value through other comprehensive income.
- The Bank employs a stable dividend policy
- Management accounts and key performance indicators (KPIs) are compiled monthly. Significant variances are reported to the Audit and Risk Committee
- The Bank has established the following operating limits:-
- A target Net Profit for the year of a minimum of 30.0% of interest income.
- Operate with a non-interest /total expenses ratio of less than 45.0%
- Achieving a rate of return of at least 1.4% on total assets
- Ensure debt capital never exceeds 8.0:1 times of shareholders' equity

Non-Financial Risk

Strategic Risk

Strategic risk is the risk that failed business decisions may pose to the Bank.

Management's Response

- Prepared a 3-year strategic plan as well as an annual (i) business plan; (ii) work plan; (iii) operating budget; and (iv) key performance indicators. The planning and control system is linked to employees' performance appraisal.
- On a monthly basis, submit to the Board of Directors management accounts with explanations of significant variances in the operating budget and KPIs.

Operational Risk

Operational risk is inherent within the activities of any institution. It results from inadequacy or failure attributable to processes, people, systems or external events. Accordingly, we identified risks that are likely to affect our operations in the short to medium term to empower conscious risk-taking. These risks are intricately linked to the Bank's strategy.

Management's Response

- Based on the Bank's audit and risk management charter, the committee is required to meet quarterly
- The Bank has comprehensive operating policies.
- The Bank has outsourced its internal audit function to a reputable firm of chartered accountants.
- The Bank has deployed a comprehensive enterprise risk management framework and employs a full-time Risk and Compliance Manager.
- The Bank's operations are housed in a secure complex with restricted access to unauthorized personnel.
- The equipment of the Bank is insured.

Cyber Risk

Cybersecurity risk is the possibility of exposure of loss resulting from cyber-attacks or data breach on the Bank.

Management's Response

- The Bank has offshore backup of its information technology platform
- Banks ensures its firewalls are up to date and fully functioning
- The Bank undertakes an Information technology audit at three (3) year intervals.
- Continued staff awareness on potential cyber-attack threats
- Monthly changing of passwords and multi-factor authentication enabled to improve inhouse application and network security
- Information Technology Policy and Business Continuity Plan are updated annually.

Regulatory, Accounting and Compliance

As a regional institution, it is imperative that ECHMB Capital is in compliance with applicable laws, accounting standards and other regulations.

Management's Response

- Adherence to the Securities Act of 2001, amended in 2004, and other relevant regulations enacted by the Eastern Caribbean Securities Regulatory Commission.
- ECHMB Capital will aim to manage its regulatory risk by not breaching the following minimum criteria: -
 - The appointment of any person as Chairman, Deputy Chairman, Director or Alternate Director and the termination of any such appointment published in the official Gazette in the member territory where the principal office of the Bank is located or notified to the public in the member territories in such other manner as the Board may determine.
 - The Board shall meet not less than once every three (3) months and meetings shall be held at such time and place and on such days as the Board may determine.
 - A general meeting of shareholders (herein called an "annual general meeting") shall be summoned by the Board each year.
 - The report of the auditor shall be presented to the Board within four (4) months of the end of the financial year.

Reputational Risk

Reputation Risk is the potential loss to financial capital, social capital and/or market share resulting from damage to the Bank's reputation. It is often measured in loss revenue, increased operating expenses, capital or regulatory costs or destruction of shareholders' value

Management's Response

- Monitoring ECHMB Capital's reputation, proactively addressing matters that may cause reputational damage and using the feedback from external stakeholders to gain insights or receive early warning signals of potential concerns;
- Avoiding activities that may cause reputational damage to ECHMB Capital, including activities that may have a negative environmental or social impact.
- The Bank has implemented a Whistle Blowing Policy.
- All members of staff are required to sign and abide by an oath of secrecy



Management Discussion and Analysis



This Management Discussion and Analysis (MD&A) is presented to enable the shareholders to assess material changes in the financial condition and operating results of ECHMB Capital for the year ended 31st March 2026, compared with the corresponding period in previous years. This MD&A should be read in conjunction with our audited Financial Statements and related Notes for the year ended 31st March 2026.

Unless otherwise indicated, all amounts are expressed in Eastern Caribbean Dollars and have been primarily derived from the Bank's Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).



FY 2026 Performance Highlights



\$562.30m

Assets under Management

2025 – \$510.02m



\$423.89m

Investment Portfolio

2025 – \$401.52m



\$27.07m

Mortgages

2025 – \$25.36m



\$490.42m

Equity Capital & Borrowings

2025 – \$471.30m



\$404.69m

Borrowings

2025 – \$390.34m



\$85.73m

Shareholders' Equity

2025 – \$80.96m



\$24.30m

Gross revenue

2025 – \$23.58m



\$17.38m

Total expenses including interest

2025 – \$17.37m



\$6.92m

Net Profit for the Year

2025 – \$6.21m

Trading Conditions FY 2026

Trading conditions in FY 2026 reflected a shift from post-pandemic recovery to a more volatile “geopolitical era,” driven by aggressive US trade policies and escalating conflict in the Middle East. While global growth remained resilient at 3.20% in 2025, according to the IMF, momentum weakened in early 2026 as trade tensions and security risks intensified.

President Trump’s reintroduction of broad tariffs on imports, including duties exceeding 60.00% on Chinese goods, triggered retaliatory measures from the EU and China and slowed global trade. This also resulted in companies enacting a “no hire, no fire” strategy where they maintained existing staff but cutback on new job openings causing the labour market to stall. Although inflation eased during 2025, rising shipping costs and regional instability disrupted the final stage of disinflation and increased global production costs.

Monetary easing initially supported markets, with the Federal Reserve (The Fed) lowering rates through 2025 to approximately 3.50%–3.75% by year-end. However, the escalation of conflict involving Iran, Israel, and the US in early 2026 became the defining shock to the global economy. Disruptions to the Strait of Hormuz drove oil prices to US\$120.00 per barrel and sharply increased freight costs, prompting the Fed to adopt a more hawkish “higher for longer” stance. As a result, elevated inflation expectations, higher risk premiums, and weaker cross-border capital flows weighed on global markets, while US dollar-denominated investment grade corporate bonds and Treasuries lost momentum after benefiting from earlier rate cuts.

Significant Transactions FY 2026



Purchase of Investment Securities

\$78.44m



Proceeds from sale/maturity
of investments

\$55.84



Purchased mortgages-backed
securities

\$4.60m



Issued borrowings

\$402.08m



Repaid borrowings

\$387.75m

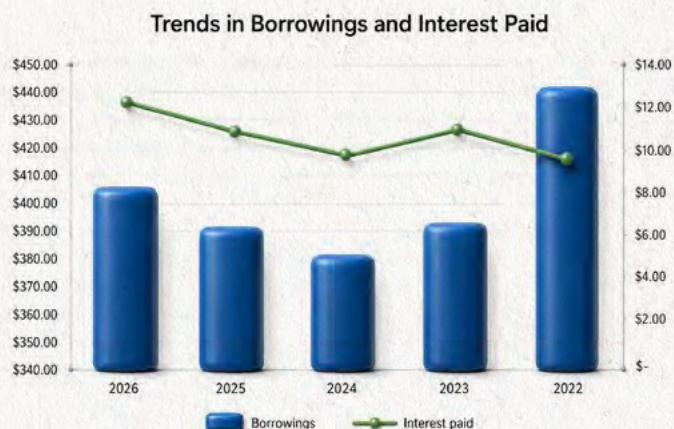


Payment of dividends

\$3.84m

Funding Activities on the Eastern Caribbean Securities Market (ECSM)

The Bank continues to face intense competition, albeit from higher coupons offered by international and regional capital markets. The increased attractiveness of the international capital market is likely a consequence of the deteriorating global trading conditions which resulted in elevated inflation which triggered the Fed's adoption of a more hawkish stance. As a result, large, sophisticated investors (social security schemes, commercial banks and pension funds) from within the Currency Union continued the rebalancing of their investment portfolio. The preference for international capital markets which commenced from FY 2023 has resulted in significant divestment from the ECSM. As shown in the graph, the ECSM declined from \$441.66m in FY 2022 to \$404.69m in FY 2026. It is to be noted that ECHMB Capital is the only perennial issuer of the ECSM.



Following the resulting attrition in Borrowings between FY 2023 and FY 2024, your Bank reported a recovery FY 2025 and attributed to the decision in FY 2024 to increase the coupon on corporate papers from 2.50% to 3.00%.

In addition, in response to the enduring threats from international markets, your Bank deployed a market penetration strategy which targets different segments of the Currency Union. It is the intent to augment this strategy by broadening the Bank's product portfolio and increase unsophisticated investors' access to ECSM.

Given our persistent product value propositioning in the ECSM, proceeds from Borrowings grew from \$387.75m in FY 2025 to \$402.08m in FY 2026, representing an increase of \$14.33m (3.70%). It is to be noted that in FY 2026, the Bank successfully repaid the Borrowings raised in FY 2025 (\$387.75). In FY 2026, Borrowings accounted for 71.97% of Total Equity and Liabilities. Based on the Bank enviable track record of meeting its obligations on a timely basis to debtholders over the preceding 30 years,

we to continue to maintain our investment grade credit ratings of CariA- in FY 2026.

On account of the growth in Borrowings coupled with the higher coupon paid throughout FY 2026, Interest Expense increased from \$11.25m in FY 2025 to \$12.36m in FY 2026. This represents an increase of \$1.11m (9.87%). Over the preceding 30 years, the Bank has remitted over \$225.68m to debtholders.

Preserving Equity Through Stringent Risk Management and a Conservative Dividend Policy

The Bank continues to grow its equity y-o-y with gross share capital and retained earnings increasing from \$139.36m in FY 2025 to \$142.43m in FY 2026. This represents growth of \$3.07m (2.20%) and credited to increases in retained earnings.



However, on account of the accounting policy in which 58.32% of the investment portfolio is reported at fair value through other comprehensive income (FVTOCI), notional mark-to-market losses reported via the Fair Value Reserve (FVR) totaling \$56.71m (2025-\$58.40m) continued to adversely impact the Bank's equity. The losses reported on FVR was stymied through the adoption of a conservative investment strategy which favors recording fixed income instruments via amortized cost.

It is to be noted that the notional mark-to-market losses are only crystallized if the securities are disposed before maturity and hence, there is no actual cash depletion in equity capital.

Despite the intense competition for funding and notional depletion in shareholders' equity from the adverse mark-to-market movements on fixed income instruments reported at FVTOCI, the Bank reported the third consecutive year of growth in capital employed. This was capped by a \$19.11m (4.05%) increase in FY 2026 over FY 2025.

Trends in Capital Employed



The growth in capital employed was mainly attributed to higher Borrowings. Notwithstanding the foregoing, the Bank's debt-to-equity ratio was reported at 4.72:1 and within the 8.0:1 imposed by the Board of Directors.

In addition, interest cover remains robust at 1.56 times, representing a slight improvement to the 1.55 times report in FY 2026.

The above statistics suggest that the Bank exhibits low bankruptcy risks and has the capacity to borrow additional funds before debt covenants are breached.

The strong capital adequacy of the Bank reinforced the Board of Directors to declare a dividend totaling \$3.84m in FY 2026, up from the \$3.71m paid in FY 2025. The Bank's equity was further strengthened with a transfer of \$0.61m to the Portfolio Risk Reserve and \$2.47m to Retained Earnings. As at 31st March 2026, the Bank has paid \$50.67m in dividends.

Deployment of Capital Employed in FY 2026

Based on ECHMB Capital's "As Is" business model, funds raised by the Bank are invested in mortgage-backed securities and investment products. The Bank's priority is the acquisition of mortgage-backed securities; however, financial intermediaries in the Currency Union continue to report high levels of liquidity. As a result, there are limited requirements by financial intermediaries to generate working capital from the Secondary Mortgage Market. Based on the foregoing, the bulk of capital employed raised by the Bank was allocated to investments.

In FY 2026, the Bank recorded a \$22.37m (5.57%) growth in investments from \$401.52m in FY 2025 to \$423.89m in FY 2026. Conversely, mortgage-backed securities reported a modest growth of \$1.71m (6.74%) over the period of review.

Trends in Assets Under Management



Due to the high volatility presently experienced by international capital markets, the Board of Directors has elected to report new investments at amortized costs and hence, protect the Bank from any unfavorable mark-to-market movements. In FY 2026, Investment reported at amortized costs increased by \$38.42m (27.93%) from \$137.54m in FY 2025 to \$175.96m in FY 2026.

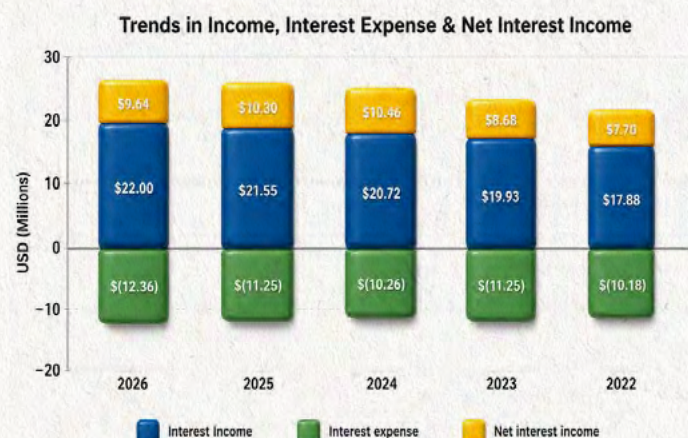
The Bank's conservative investment strategy benefited from its primary allocation to investment-grade international securities, which continued to generate returns above the weighted average cost while avoiding the heightened volatility and risk typically associated with equity investments.

Interest Income

Income generated from the mortgage-back securities and investments totaled \$22.00m representing an increase of \$0.45m (2.09%) when compared to the \$21.55m reported in FY 2025. As expected, income from investment securities and cash and cash equivalents contributed \$20.34m or 92.45%.



Net interest Income



Net Interest Income or the difference between Interest Income (\$22.00m) and Interest Expense (\$12.36m) amounted to \$9.65m (43.86%). This compared to the \$10.30m (47.78%) reported in FY 2025. The decline in Net Interest Income is attributed to the fact that the entire corporate paper portfolio was issued at 3.00% in FY 2026 compared with the phase increase in FY 2025.

Other Income

Other Income increased from \$2.03m in FY 2025 to \$2.30m in FY 2026; a gain of \$0.27m (13.30%). This represents transitory gains on a specific fixed income security and based on the triggering of a restructuring clause.

Expenses

The Bank recorded a \$0.21m (5.20%) increase in General and Administrative Expenses in FY 2026 which was mainly attributed to a \$0.15m (6.02%) increase in staff costs. The increase was credited to the Bank holding the full staff complement for the entire year as opposed to FY 2025 when recruitments were made ex post commencement of the financial year.

Mortgage Administration Fees declined by \$0.06m (5.69%) and are attributed to the fact that new pools attracted lower administration.

Operating/non-interest expenses declined from \$6.12m in FY 2025 to \$5.03m in FY 2026 representing savings of \$1.09m (17.81%). The reduction was mainly attributed to a Net Impairment Gain of \$0.1m compared to a loss of \$1.16m in FY 2025.

In FY 2026, the Bank's efficiency ratio or how much was spent to generate a single dollar of revenue was reported at 42.07%, an improvement from the 49.62% report in FY 2025. An efficient ratio of less than 50.00% is considered ideal.

Net Profit for the Year

Net profit for the Year was reported at \$6.92m, representing an increase of \$0.71m (11.43%) when compared to the \$6.21m reported in FY 2025. As highlighted above, the growth was mainly credited to cost savings. On account of the higher Net Profit for the Year, the Bank's Basic and Diluted Earnings per Share improved from \$23.11 in FY 2025 to \$25.74 in FY 2026.

It is to be noted that the Bank's profitability is supported by adequate Cash and Cash Equivalents which increased by \$8.16m in FY 2026.

Statement of Financial Position

Save and except receivables and prepayments, motor vehicle and right of use assets, all other categories of assets are considered income earning assets. The \$46.96m reported in FY 2026 under the nomenclature Receivable and Prepayments is transitory and associated with the timing differences associated with the debtholders' rollover of corporate papers.

As at 31st March 2026, total impairment of assets remains less than 1.00% of assets under management. In FY 2026, returns on assets were reported at 1.23%, up from 1.22% in FY 2025 where a return on assets above 1.00% is considered satisfactory.

As highlighted, the assets under management are adversely impacted by the reporting of 58.32% of the investment portfolio at FVTOCI and the fact that the notional mark-to-market losses reported via FVR have resulted in a \$56.71m diminution in assets under management. As a result, Book Value per Share was reported at \$133.31 in FY 2026 and up from the \$115.58 reported in FY 2025. Had the Bank opt to report the entire investment portfolio at amortized cost, the Book Value per Share in FY 2026 would amount to \$344.34 compared to \$332.88 in FY 2026. Initial investors paid \$100.00 per share.

As alluded to earlier, your Bank continues to generate adequate cashflows and hence, is devoid of short-term facilities to finance working capital. The credit line in the amount of \$67.50m shown under the nomenclature Other Borrowings is used exclusively for bridging the rollover of Borrowings.

Building a High-Performance Team



Why this is important

Implementation of desired behaviours and norms that will enable ECHMB Capital to achieve superior results





Investment Department



Finance Department



Operations Department



Risk Department



People and Talent Management Strategic Objectives

We recognize that ECHMB Capital as a body corporate is constantly in flux and hence, it is imperative that our human capital remains equally agile. We believe that our human capital strategic objectives are the right blend which will not only nurture talent, but also ensure that our operatives have a thorough grounding in the ethical framework of the Bank.



**Nurturing
leadership and
talent pipeline**



**Increase the Bank's
productivity**



**Build a tech savvy
workforce**



**Good ethical
mindset**

Highlights FY 2026

Our team is staffed by a group of dedicated individuals who go above and beyond to ensure that the Bank's operations are efficiently undertaken. Our staff's performance truly embodies our ethos of 'Employee Centric' in that the financial and other accomplishments of the Bank clearly demonstrate that we have attracted, retained and developed some of the best talent in the Eastern Caribbean Currency Union.

- Two members of the senior executive team and an investment analyst are pursuing advanced degrees in business administration
- A member of the operations team is pursuing a BSc in human resource management
- A member of the accounting department is at the final stage of the Association of Chartered Certified Accountants
- The Chief Risk Compliance Officer completed the Lead risk manager certification

Striving for Diversity

We believe that increased diversity in the Team should result in improved productivity, and better decision making. Our recruitment practices are geared to ensure a broad range of experiences, including gender, sex, socioeconomic background, religion and education. We strive to ensure that each member of the Team has an equal opportunity to access education, resources, and opportunities for promotion.

Employees Profile



Age Breakdown of the Team



Below 30 years	8%
30–40 years	50%
Above 40 years	42%



Female Staff of the Bank

Staff Activities FY 2026







CONGRATULATIONS

Akayla Thomas

Recipient of the ECHMB Sir K. Dwight Venner
1st Generation Scholarship

An ECHMB 30th Anniversary Initiative

Celebrating Academic Excellence

Honouring the legacy of
SIR K. DWIGHT VENNER
A visionary leader.
A champion of education.
A legacy that endures.

 UWI St. Augustine

 BSc. Accounting

 First Generation Student

 Sion Hill, St. Vincent and
the Grenadines


Akayla Thomas

Recipient of the
**ECHMB SIR K. DWIGHT VENNER
1ST GENERATION SCHOLARSHIP**

*Wishing you continued success as you
pursue your academic journey.*

AN ECHMB 30TH ANNIVERSARY INITIATIVE

FINANCIAL STATEMENTS 2026



**Eastern Caribbean Home
Mortgage Bank
(Trading as ECHMB Capital)**

Consolidated Financial Statements
March 31, 2026

(expressed in Eastern Caribbean dollars)

Eastern Caribbean Home Mortgage Bank
(Trading as ECHMB Capital)
For the year ended March 31, 2026

(expressed in Eastern Caribbean dollars)

Table of Contents

	Pages
Statement of Management's Responsibility	2
Independent Auditors' Report	3 - 7
Statement of Consolidated Financial Position	8
Statement of Consolidated Comprehensive Income	9
Statement of Consolidated Changes in Equity	10
Statement of Consolidated Cash Flows	11 - 12
Notes to the Consolidated Financial Statements	13 - 86

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Statement of Management's Responsibility
For the year ended March 31, 2026

(expressed in Eastern Caribbean dollars)

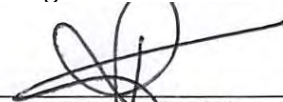
Management is responsible for the following:

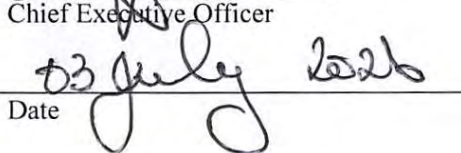
- Preparing and fairly presenting the accompanying consolidated financial statements of Eastern Caribbean Home Mortgage Bank and Subsidiary Company which comprise the consolidated statement of financial position as at March 31, 2026, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of operational efficiencies for the Group;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with the laws and regulations, including the Eastern Caribbean Home Mortgage Bank Agreement; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standard Board and adopted by the Institute of Chartered Accountants of the Eastern Caribbean.

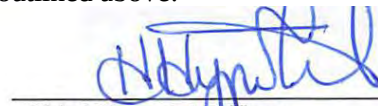
Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

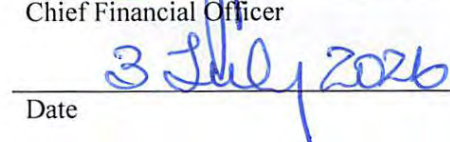
Management affirms that it has carried out its responsibility as outlined above.



Chief Executive Officer


Date



Chief Financial Officer


Date

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASTERN CARIBBEAN HOME MORTGAGE BANK
(TRADING AS ECHMB CAPITAL)
AND SUBSIDIARY COMPANY**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eastern Caribbean Home Mortgage Bank and Subsidiary Company ('the Group') which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Group's 2026 Annual Report

Other information consists of the information included in the Group's 2026 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2026 Annual Report, if we conclude that it contains a material misstatement, we are required to communicate the matter to those charged with governance.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASTERN CARIBBEAN HOME MORTGAGE BANK
(TRADING AS ECHMB CAPITAL)
AND SUBSIDIARY COMPANY
(continued)**

Report on the Audit of the Financial Statements (continued)

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description of how our audit addressed these matters is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<i>Provision for expected credit losses</i> Refer to Notes 3 d (iii), 8 and 9 in the financial statements As described in the notes to the consolidated financial statements, the expected credit losses have been determined in accordance with IFRS 9 – Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgement to determine the expected credit loss provision for financial instruments. Key areas of judgement included: • The interpretation of the requirement to determine impairment under the application of IFRS 9, which is reflected in the Group's expected credit loss model.	In assessing expected credit loss provisions, we performed the following procedures: • Assessed the modelling techniques and methodology against the requirements of IFRS 9. • Assessed the design and tested the effectiveness of necessary controls and sensitivity of the provision to changes in modelling assumptions. • Documented our understanding of the Group's policies and expected credit loss procedures. Analysed the controls implemented to measure and identify expected credit losses and their functioning during the reporting period.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASTERN CARIBBEAN HOME MORTGAGE BANK
(TRADING AS ECHMB CAPITAL)
AND SUBSIDIARY COMPANY
(continued)**

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
- The identification of exposures to financial instruments considered important to users of the consolidated financial statements given the estimation uncertainty and sensitivity of the valuations. - Assumptions used in the expected credit loss model such as the financial condition of counterparty, expected future cash flows and forward-looking macro-economic factors.	- Assessed the completeness of the input data and the assumptions underlying the determination of the loss identification, probability of default and loss given default - Involved our IT specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model). - Reviewed the qualitative and quantitative disclosures in the financial statements for their compliance with the requirements of IFRS 9.

<i>Fair values of investment securities</i> Refer to Notes 3 d and 8 in the financial statements - The Group invests in various investment securities within the IFRSs fair value hierarchy. Valuation of these investments can be subjective and involve various assumptions regarding pricing. - Associated risk management is complex and dependent on high quality data. A specific area of audit focus includes the valuation of fair value assets. This includes the use of market data and discounted cash flow analyses making maximum use of market inputs, such as the market risk free yield curve.	- We reviewed the reasonableness and appropriateness of the methods and assumptions used in determining the fair value of investment securities. - We independently assessed the fair values of investments by performing independent valuations on the investment portfolio as well as recalculating the unrealized gain or loss. - We assessed whether the financial statements disclosures, including sensitivity to key inputs and the IFRS fair value hierarchy, appropriately reflect the Group's exposure to financial instruments valuation risk.
--	---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASTERN CARIBBEAN HOME MORTGAGE BANK
(TRADING AS ECHMB CAPITAL)
AND SUBSIDIARY COMPANY
(continued)**

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and The Audit and Risk Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Risk Committee is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASTERN CARIBBEAN HOME MORTGAGE BANK
(TRADING AS ECHMB CAPITAL)
AND SUBSIDIARY COMPANY
(continued)**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibility for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Henry Joseph.

GRENADA

July 10th, 2026



Accountants & Business Advisers:

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Consolidated Statement of Financial Position

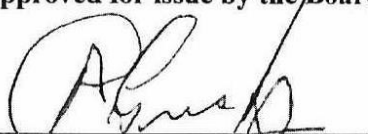
As at March 31, 2026

(Expressed in Eastern Caribbean dollars)

	2026 \$	2025 \$
ASSETS		
Non-current assets		
Motor vehicles and equipment (note 6)	410,282	398,680
Right of use assets (note 7)	386,848	42,984
Investment securities (note 8)	400,450,896	374,995,809
Mortgage loan facilities (note 9)	24,725,609	23,179,878
	<u>425,973,635</u>	<u>398,617,351</u>
Current assets		
Investment securities (note 8)	23,441,371	26,527,925
Mortgage loan facilities (note 9)	2,341,140	2,175,680
Receivables and prepayments (note 10)	46,959,890	27,280,866
Cash and cash equivalents (note 11)	63,582,902	55,418,477
	<u>136,325,303</u>	<u>111,402,948</u>
TOTAL ASSETS	<u>562,298,938</u>	<u>510,020,299</u>
EQUITY AND LIABILITIES		
Equity		
Share capital - ordinary (note 12)	36,999,940	36,999,940
Share capital - preference (note 12)	49,900,000	49,900,000
Portfolio risk reserve (note 13)	25,588,848	24,975,235
Fair value reserve (note 13)	(56,713,796)	(58,401,299)
Retained earnings	29,953,207	27,487,044
	<u>85,728,199</u>	<u>80,960,920</u>
Non-current liabilities		
Lease liability (note 7)	391,161	44,776
	<u>391,161</u>	<u>44,776</u>
Current liabilities		
Borrowings (note 15)	404,691,049	390,338,773
Other borrowings (note 16)	67,500,000	34,560,000
Accrued expenses and other liabilities (note 17)	3,988,529	4,115,830
	<u>476,179,578</u>	<u>429,014,603</u>
TOTAL EQUITY AND LIABILITIES	<u>562,298,938</u>	<u>510,020,299</u>

The accompanying notes are an integral part of these financial statements.

Approved for issue by the Board of Directors on 3 July, 2026.


Director


Chairman

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Consolidated Statement of Comprehensive Income For the year ended March 31, 2026

(Expressed in Eastern Caribbean dollars)

	2026 \$	2025 \$
Interest income (note 18)	22,002,245	21,548,591
Interest expense (note 15)	(12,356,494)	(11,252,443)
Net interest income	9,645,751	10,296,148
Other income (note 19)	2,297,874	2,034,086
Operating income	11,943,625	12,330,234
Expenses		
General and administrative expenses (note 20)	(4,245,621)	(4,043,468)
Other operating expenses (note 21)	(782,991)	(813,927)
Mortgage administrative fees	(96,331)	(102,305)
Net impairment gains / (losses) on financial assets	99,839	(1,158,970)
Total expenses	(5,025,104)	(6,118,670)
Net profit for the year	6,918,521	6,211,564
Earnings per share		
Basic and diluted per share (note 22)	25.74	23.11
Other comprehensive income for the year:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Investment securities at FVOCI - net change in fair value (note 8)	1,687,503	3,463,915
Total comprehensive income for the year	8,606,024	9,675,479

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Consolidated Statement of Changes in Equity

For the year ended March 31, 2026

(Expressed in Eastern Caribbean dollars)

	Share capital ordinary \$	Share capital preference \$	Portfolio risk reserve \$	Fair value reserve \$	Retained earnings \$	Total \$
Balance at March 31, 2024	36,999,940	47,235,800	24,474,029	(61,865,214)	25,482,221	72,326,776
Net profit for the year	—	—	—	—	6,211,564	6,211,564
Issuance of share capital						
- preference shares (note 12)	—	2,664,200	—	—	—	2,664,200
Investment securities at FVOCI - net change						
in fair value (note 13)	—	—	—	3,463,915	—	3,463,915
Transfer to reserve (note 13)	—	—	501,206	—	(501,206)	—
Transaction with owners						
Dividends (note 14)	—	—	—	—	(3,705,535)	(3,705,535)
Balance at March 31, 2025	36,999,940	49,900,000	24,975,235	(58,401,299)	27,487,044	80,960,920
Net profit for the year	—	—	—	—	6,918,521	6,918,521
Investment securities at FVOCI - net change						
in fair value (note 13)	—	—	—	1,687,503	—	1,687,503
Transfer to reserve (note 13)	—	—	613,613	—	(613,613)	—
Transaction with owners						
Dividends (note 14)	—	—	—	—	(3,838,745)	(3,838,745)
Balance at March 31, 2026	36,999,940	49,900,000	25,588,848	(56,713,796)	29,953,207	85,728,199

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(Expressed in Eastern Caribbean dollars)

	2026 \$	2025 \$
Cash flows from operating activities		
Net profit for the year	6,918,521	6,211,564
Items not affecting cash:		
Interest expense (note 15)	12,356,494	11,252,443
Amortisation of bond premium (note 8)	1,805,461	1,351,227
Depreciation of motor vehicles and equipment (note 6)	155,759	139,973
(Decrease)/increase in provision for impairment on financial assets	(85,911)	1,158,970
Amortisation of right of use assets (note 7)	171,933	171,932
Interest expense on lease liability (note 7)	10,588	4,213
Gain on disposal of motor vehicles and equipment	–	(91,800)
Interest income (note 18)	(22,002,245)	(21,548,591)
Operating loss before working capital changes	(669,400)	(1,350,069)
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables and prepayments	(19,679,024)	5,159,077
(Decrease) / increase in accrued expenses and other liabilities	(127,301)	582,710
Cash flows (used in) / generated from operations before interest	(20,475,725)	4,391,718
Interest received	22,241,532	21,549,107
Interest paid	(12,072,640)	(10,563,640)
Net cash (used in) / generated from operating activities	(10,306,833)	15,377,185
Cash flows from investing activities		
Proceeds from sales/maturity of financial assets (note 8)	55,835,218	55,835,751
Proceeds from the pool of mortgages repurchased by primary lenders (note 9)	–	1,484,719
Proceeds from principal repayment on mortgages (note 9)	2,541,044	2,468,833
Proceeds from sale of motor vehicles and equipment	–	137,500
Purchases of mortgages (note 9)	(4,602,524)	–
Mortgages repurchased or replaced (note 9)	312,928	2,127,698
Purchase of motor vehicles and equipment (note 6)	(167,361)	(430,175)
Purchase of investment securities (note 8)	(78,437,724)	(69,803,363)
Net cash used in investing activities	(24,518,419)	(8,179,037)

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Consolidated Statement of Cash Flows ...*continued*

For the year ended March 31, 2025

(Expressed in Eastern Caribbean dollars)

	2026 \$	2025 \$
Cash flows from financing activities		
Proceeds from borrowings (note 15)	402,076,000	387,747,000
Proceeds from other borrowed funds	168,075,000	186,354,000
Repayment of borrowings (note 15)	(387,747,000)	(378,281,000)
Repayment of other borrowed funds	(135,135,000)	(186,624,000)
Payment for corporate paper issue costs and transaction costs (note 15)	(260,578)	(256,133)
Dividends paid	(3,838,745)	(3,705,535)
Proceeds from issue of preference shares	—	2,664,200
Principal portion of lease liability	(169,412)	(175,787)
Interest paid on lease liability (note 7)	(10,588)	(4,213)
Net cash generated from financing activities	42,989,677	7,718,532
Net increase in cash and cash equivalents	8,164,425	14,916,680
Cash and cash equivalents at beginning of year	55,418,477	40,501,797
Cash and cash equivalents at end of year (note 11)	63,582,902	55,418,477

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

1 Identification and Principal Activities

The Eastern Caribbean Home Mortgage Bank (“the Bank”), and its subsidiary (together “the Group”), is incorporated under the laws of Grenada. The registered office of the Group is located at the Eastern Caribbean Central Bank’s (ECCB) Agency Office, Monckton Street, St. George’s, Grenada. The principal place of business of the Group is at Bird Rock, Basseterre, Saint Christopher (St Kitts) and Nevis.

The Governments of Anguilla, Antigua and Barbuda, The Commonwealth of Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia and St. Vincent and the Grenadines signed an agreement on May 27, 1994, to establish the Eastern Caribbean Home Mortgage Bank. The Bank was formally established on August 19, 1994, in accordance with Article 40 of the Eastern Caribbean Home Mortgage Bank Agreement, which was incorporated in the Eastern Caribbean Home Mortgage Bank Agreement Act and subsequently passed in the member territories. The principal activities of the Bank are the trading of mortgages made by primary mortgage lenders and growth and development of the money and capital market in the Eastern Caribbean Currency Union.

The Bank has a wholly-owned subsidiary, ECHMB Financial Services Limited (“the subsidiary”), which was incorporated under the laws of Grenada on December 5, 2024 and domiciled in Grenada. The principal activity of the subsidiary is wealth management.

2 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) and its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

3 Material accounting policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

a) Basis of preparation ... continued

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined there was no material impact.

- **Amendments to IAS 21, Lack of Exchangeability**, (effective for annual periods beginning on or after January 1, 2025).

In August 2023, the Board issued lack of exchangeability (Amendments to IAS 21). The amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

When applying the amendments, comparative information is not restated. This amendment had no impact on the Group.

- **Amendments to the SASB standards to enhance their international applicability (effective January 1, 2025)**

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics. These amendments had no impact on the Group.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

a) Basis of preparation ... continued

New, revised and amended standards and interpretations in issue but not yet effective for the financial year beginning on or after April 1, 2025 and not early adopted

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Group's financial statements. These standards and interpretations may be applicable to the Group at a future date and will be adopted when they become effective. The Group is currently assessing the impact of adopting these standards and interpretations.

- **Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments** (effective for annual periods beginning on or after January 1, 2026).

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features;
- Clarifies the treatment of non-recourse assets and contractually linked instruments;
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

- **Amendment to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity** (effective for annual periods beginning on or after January 1, 2026).

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments:

- Update the 'own-use' requirements for in-scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity's expected purchase or usage requirements, if specified criteria are met;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments will allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met;

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

a) Basis of preparation ... continued

New, revised and amended standards and interpretations in issue but not yet effective for the financial year beginning on or after April 1, 2025 and not early adopted ... continued

- **Amendment to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after January 1, 2026) ...continued**
 - Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. IFRS 7 has been amended to require specific disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments.

The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The amendments relating to the own-use exception must be applied retrospectively. An entity is not required to restate prior periods, and it is only permitted to do so if this can be done without using hindsight.

The hedge accounting amendments must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. If an entity does not restate comparative information, then the entity must not present comparative disclosures.

- **IFRS 18, Presentation and Disclosure in Financial Statements, (effective for annual periods beginning on or after January 1, 2027).**

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

a) Basis of preparation ... continued

New, revised and amended standards and interpretations in issue but not yet effective for the financial year beginning on or after April 1, 2025 and not early adopted ... continued

- **IFRS 18, Presentation and Disclosure in Financial Statements**, (effective for annual periods beginning on or after January 1, 2027) continued

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard. IFRS 18 must be applied retrospectively.

- **IFRS 19, Subsidiaries without Public Accountability: Disclosures**, (effective for annual periods beginning on or after January 1, 2027).

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business).

If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

a) Basis of preparation ... continued

New, revised and amended standards and interpretations in issue but not yet effective for the financial year beginning on or after April 1, 2025 and not early adopted ... continued

- **Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency**, (effective for periods beginning on or after January 1, 2027).

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

- **IFRS S2 - Amendments to Greenhouse Gas Emissions Disclosures**, (effective for periods beginning on or after January 1, 2027).

The amendments to IFRS S2 aim at supporting entities applying the standard by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in the standard.

- **IFRS 20 Regulatory Assets and Regulatory Liabilities**, (effective for periods beginning on or after January 1, 2029).

IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

- **Annual improvements to IFRS – Volume 11**, (effective for annual periods beginning on or after January 1, 2026).

The following amendments are applicable to annual periods beginning on or after 1 January 2026.

IFRS – Subject of Amendment

IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-Time Adopter.

IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition.

IFRS 7 Financial Instruments: Disclosures – Guidance on implementing Introduction, Disclosures of Deferred Difference Between Fair Value and Transaction Price and Credit Risk Disclosures.

IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities.

IFRS 9 Financial Instruments – Transaction Price.

IFRS 10 Consolidated Financial Statements – Determination of a ‘De Facto Agent’.

IAS 7 Statement of Cash Flows – Cost Method.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

b) Basis of consolidation

A subsidiary is an entity which is controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are considered. The consolidated financial statements comprise those of the Bank and its wholly owned subsidiary ECHMB Financial Services Limited ("ECHMB FSL"), presented as a single economic entity. Intra-group transactions, balances and unrealised gains and losses are eliminated in preparing the consolidated financial statements. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

c) Foreign currency translation

i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in Eastern Caribbean dollars, which is the Group's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within 'Other operating expenses'.

d) Financial assets and liabilities

i) Initial recognition, derecognition and measurement

IFRS 9 introduces a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost based on the nature of the cash flows of these assets and the Group's business model.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL.

Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

i) Initial recognition, derecognition and measurement ... continued

All income and expenses relating to financial assets that are recognised in the consolidated statement of comprehensive income are presented within interest income whereas the loss allowance or a reduction on the expected credit loss (ECL) is presented within the expenses, in the consolidated statement of comprehensive income.

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

At initial recognition, the Group initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

ii) Classification and subsequent measurement of financial assets

Financial assets are classified into the following categories:

- Amortised cost;
- FVTPL; or
- FVOCI.

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

The classification and subsequent measurement of debt instruments is determined by both:

- the Group's business model for managing the financial asset and,
- the contractual cash flow characteristics of the financial assets.

Based on these factors the Group classifies its debt instruments into the measurement category of amortised cost FVTPL and FVOCI.

Financial assets at amortised cost and effective interest rate

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

ii) Classification and subsequent measurement of financial assets ...continued

Financial assets at FVOCI

FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

Business model assessment

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio;
- How the asset's performance is evaluated and reported to key management personnel; and
- How rules are assessed and managed and how managers are compensated.

Solely payments of principal and interest ("SPPI")

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.

The Group reclassifies debt instruments when and solely when its business model for managing those asset changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be infrequent and none occurred during the period.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies...continued

d) Financial assets and liabilities ...continued

ii) Classification and subsequent measurement of financial assets ...continued

Measurement methods - amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ("POCI") financial assets - interest income is recognised using the assets' credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

iii) Impairment of financial assets measured at amortised cost and FVOCI

IFRS 9 introduces an impairment model that requires the recognition of ECL on financial assets measured at amortised cost and FVOCI and off-balance sheet loan commitments and financial guarantees.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supported forecasts that affect the expected collectability of the future cash flows of the instrument.

At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next twelve (12) months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR) an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised or for which credit risk is assessed as being low are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment and so are considered to be in default or otherwise credit-impaired are in 'stage 3'. POCI are treated differently as set out below.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

iii) *Impairment of financial assets measured at amortised cost and FVOCI ... continued*

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

The Group assesses loss allowance of certain financial assets at amortised cost and FVOCI on a collective basis if they possess shared credit risk characteristics based on the days past due, geographical location and credit risk ratings and loss rates associated with the parties with whom financial instruments are held. Refer to (note 4 d) Credit risk - expected credit loss measurement for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The Group's receivables are mostly short-term with minimal expose to risk. The ECL on these instruments were therefore determined to be zero.

iv) *Purchased or originated credit-impaired assets*

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty that otherwise would not have been considered. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

v) *Write-off*

The Group takes appropriate measures to resolve non-performing assets through all possible means before deciding to write-off the remaining unrecovered exposure. Financial assets (and the related impairment allowances are normally written off, either partially or in full, when there is no realistic prospect of recovery. The exposure may be written off when:

1. It is not legally enforceable for the Group to recover in full or in part the outstanding amount of the obligation:
 - i. via sale or appropriation of collateral; or
 - ii. from the borrower or from any third party (e.g., court appointed receiver).
2. It is legally enforceable to recover funds from the borrower or any third party, but there is very low probability of occurrence.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

v) Write-off... continued

Triggers identified for the derecognition of a financial obligation include:

- Bankruptcy;
- Voluntary liquidation;
- Receivership and compulsory liquidation of a creditor;
- Official Administration which provides for the imposition of a moratorium on payments by the financial institution and a stay of proceedings against the institution during official administration;
- Debt relief orders; and
- The debt is uneconomical to collect meaning the cost of collection outweighs the value of the debt recovered.

The debt will be written off, in full or in part, against the related allowance when the proceeds from realizing any available security have been received or there is a reasonable amount of certainty that the exposure will not be recovered. Upon write-off, the Group continues to seek to recover amounts it is legally owed in full. Any recoveries of amounts previously written off shall be recognised at time of receipt as “bad debts recovered” and are directly recognised in the consolidated statement of comprehensive income.

vi) Interest income and interest earned on assets measured at amortised cost

Interest income is earned based on the effective interest rate, based on the carrying amount before allowances. Interest earned on assets measured at fair value through profit and loss is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the effective interest rate.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the consolidated statement of financial position as ‘Pledged assets’, if the transferee has the right to sell or repledge them.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

d) Financial assets and liabilities ...continued

vii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

FVOCI

The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends are recognised when the Group's right to receive payments is established.

viii) Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

f) Cash and cash equivalents

Cash comprises cash on hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

g) Repurchase transactions

Securities purchased under agreements to sell/resell (repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions. The interest on the respective instruments are accrued over the life of the agreement using the effective interest method.

h) Employee benefits

(i) Pension plan

The Group's pension scheme is a defined contribution plan which is managed by a third-party entity. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Gratuity

The Group provides a gratuity plan to its employees who are employed on contract. The amount of the gratuity payment to contracted employees is computed with reference to annual basic salary at a rate determined by the Board of Directors. Provisions for these amounts are included in the consolidated statement of financial position within "Accrued expenses and other liabilities".

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

j) Motor vehicles and equipment

Motor vehicles and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvement	The shorter of the estimated useful life and the period of the lease.
Motor vehicles	20%
Computer equipment	33⅓%
Furniture and fixtures	16⅔%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the consolidated statement of comprehensive income.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

l) Interest income and expense

Interest income and expense are recognised in the consolidated statement of comprehensive income for all instruments measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

m) Dividends distribution

Dividends are recognised in equity in the period in which they are approved by the Board of Directors. Dividends for the year which are approved after the reporting date are disclosed as a subsequent event, if any.

n) Expenses

Expenses are recognised in the consolidated statement of comprehensive income upon utilisation of the service or as incurred.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

o) Leases - As lessee

The Group leases its office space and recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability each period.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short terms leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

p) Share capital

i. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as deduction from equity.

ii. Preference shares

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

- Equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such case, dividends are thereon recognised as equity distributions on approval by the Group's shareholders.
- Liability if it is redeemable on a specific date or at the option of the shareholder, or if dividends are not discretionary; in such a case, dividends thereon are recognised as interest in profit or loss as accrued.

q) Reserves

Portfolio risk reserve

The Group maintains a special reserve account - portfolio risk reserve. This reserve account was established to cover against general risk associated with the secondary mortgage market. Effective March 31, 2006, the Board of Directors agreed to an annual allocation to the portfolio risk reserve of 20% of profits after the appropriation for dividends. The Board also reserves the right to vary or suspend the annual allocation from retained earnings. For the year ended March 31, 2026, the Board agreed to the transfer of \$613,613 (2025: \$501,206) from Retained Earnings to the Portfolio Risk Reserve.

Fair value reserve

Fair value reserves relate to unrealised gains and losses relating to FVOCI investment securities.

r) Retained earnings

Retained earnings include current and prior period results of operations as reported in the consolidated statement of comprehensive income, net of dividends.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

3 Material accounting policies ...continued

s) Earnings per share

Basic earnings per share are determined by dividing profit by the weighted average number of ordinary shares outstanding during the period after giving retroactive effect to stock dividend declared, stock split and reverse stock split during the period, if any.

Diluted earnings per share are computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Group does not have dilutive potential shares outstanding, hence, the diluted earnings per share is equal to the basic earnings per share.

t) Subsequent events

Subsequent events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the consolidated notes to the financial statements when material.

u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, the operating results of which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. At this time there are no reportable segments into which the Group's business may be broken down, and the Group's reporting is tracked on a whole.

v) Taxation

In accordance with Section 5 sub-section (1) and (2) of the Eastern Caribbean Home Mortgage Group ("ECHMB") Agreement Act, 1994, the ECHMB is exempt from stamp duties and corporation tax.

With respect to the subsidiary, the charge for taxation for the current year is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using the applicable tax rates for the period. No deferred tax assets have been recognized in the financial statements as there are no amounts applicable for the period.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses of profits, which may be caused by internal factors. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring. This process of risk management is critical to the Group's continuing profitability. The Group is exposed to credit risk, market risk (including interest rate risk, equity price risk and foreign currency risk), liquidity risk and operational risk.

a) Enterprise risk management approach

The Group continuously enhances its Enterprise Risk Management (ERM) approach towards the effective management of enterprise-wide risks. Key components of the ERM framework include:

- structure risk governance model incorporating Board and Senior Management oversight;
- sound debt-to-equity ratio and liquidity management process;
- comprehensive assessment of material risks;
- regular controls, reviews, monitoring and reporting; and
- independent reviews by internal/external auditors, credit rating agency and the relevant supervisory authorities domiciled in the Eastern Caribbean Currency Union (ECCU).

The Board of Directors is ultimately responsible for identifying and controlling risks.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles. The Board of Directors is responsible for overseeing the Group's risk management, including overseeing the management of credit risk, market risk, liquidity risk and operational risk.

The Board carries out its risk management oversight function by:

- reviewing and assessing the quality, integrity and effectiveness of the risk management systems;
- overseeing the development of policies and procedures designed to define, measure, identify and report on credit, market, liquidity and operational risk;
- establishing and communicating risk management controls throughout the Group;
- ensuring that the Group has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Group's appetite or tolerance for risks;
- reviewing management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management reports on internal control and any recommendations and confirm that appropriate action has been taken;
- providing an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk; and
- remaining informed on risk exposures and risk management activities through the submission of periodic reports from management.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

b) Risk measurement and reporting systems

Monitoring and controlling risks is primarily performed based on limits established by the Group and reported in the Group's policy statement. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept.

Information compiled is examined in order to analyse, control and identify early risks by undertaking an annual review of the portfolios held by the Group.

c) Excessive risk concentration

The Group reviews its mortgage concentration to minimise exposure in excess of twenty percent (20%) of total assets in any one (1) primary lender, financial institution, or group. The Group manages its mortgage portfolio facilities by focusing on maintaining a diversified portfolio and concentration percentages. Identified concentrations of credit risks are controlled and managed accordingly.

Likewise, the Group reviews its investment concentration to minimise exposure in excess of fifteen percent (15%) of shareholders' capital in any one (1) financial institution.

d) Credit risk

The Group takes on exposure to credit risk, which is the risk of financial loss to the Group if its customers or counterparties to a financial instrument fail to meet their contractual obligations, and arises principally from the Group's normal trading activity in mortgages. The amount of the Group's exposure to credit risk is indicated by the carrying amount of its financial assets. Financial instruments which potentially expose the Group to credit risk consist primarily of mortgage loan facilities and investment securities.

Credit risk is the most important risk for the Group's business. Management therefore carefully manages its exposure to credit risk. Credit exposures arise primarily in lending activities that lead to mortgage loan facilities, investment securities that bring debt instruments and other instruments into the Group's asset portfolio and other financial assets as included in 'receivables and prepayments' as presented in the statement of financial position. There are no off-balance sheet financial instruments and therefore no credit risk resulting from such assets.

Credit risk measurement

Mortgage loan facilities and investment securities

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk through various approaches using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) or a loss rate approach. The approaches used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9 are outlined below in (Note 4 d) Credit risk - credit risk measurement - expected credit loss measurement for more details.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Credit risk grading

The Group uses various strategies to grade and assess credit risk of its counterparties and/or borrowers. With respect to its counterparties with which it holds investment securities, the Group uses external credit ratings and the corresponding historical default statistics to determine the probability of default of individual counterparties. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade. For unrated counterparties, the Group uses its internal credit risk grading system.

The Group's internal rating scale is assigned based on a numerical rating scale ranging from grades R1 to R10, where the higher the perceived level of credit risk, the higher the rating.

The Group relies on external ratings as provided by various credit rating agencies. The Group employs a correlation or mapping based on these external rating agencies as follows:

Moody's	S&P	Fitch	CariCRIS
Aaa to Aa3	AAA to AA-	AAA to AA-	AAA
A1 to A3	A+ to A-	A+ to A-	AAA
Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	AA+ to AA-
Ba1 to Ba3	BB+ to BB-	BB+ to BB-	A+ to A-
B1 to B3	B+ to B-	B+ to B-	BBB+ to BBB-
Caa1 and below	CCC+ and below	CCC+ and below	BB+ and below
D	D/SD	D	D

The internal ratings for unrated financial institutions and sovereigns are determined by a combination of quantitative and qualitative variables using a scorecard approach. The approach incorporates specific drivers, such as financial performance, that are considered to be key determinants of a counterparty's credit quality.

Expected credit loss measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Expected credit loss measurement ...continued

A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within twelve (12) months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 2). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates use a maximum of a 12-month PD while Stage 2 estimates use a lifetime PD. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes were updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information require significant judgment.

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Management relies on data from external rating agencies in determining the probability of defaults. For regional investment securities and mortgage loan facilities where the obligors are unrated, internal credit ratings are assigned then mapped to external ratings from which a corresponding PD is derived. If CariCRIS ratings are available, these are equated to the appropriate international rating category and the associated PD from CariCRIS.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Expected credit loss measurement ...continued

Management has then used a stochastic formula to adjust PD. One input into this formula is GDP growth. Historical and forecasted GDP growth data was obtained from a reputable third-party provider.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The LGDs for International Corporate investment securities was obtained from a reputable third party provider. Where there is no external data available, Management derived its sovereign and regional corporate LGDs from the sovereign default history in the Caribbean region. For financial assets under Stage 3 which are considered to be credit-impaired or which have defaulted, Management takes into consideration the legal status and financial condition of the issuer to provide a basis for the assessment of the LGD.

The EAD is assigned by the type of security as follows:

- Mortgage-backed loans: EAD consists of the principle plus accrued interest up to the reporting date.
- Deposits placed: EAD consists of the principle plus accrued interest up to the reporting date.
- Debt securities purchased with discount (premium): EAD is an amortised value plus accrued interest up to the reporting date; and
- Receivables: EAD amount is the nominal value of our receivables from counterparties (customers).

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information incorporated in the ECL models

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables - including, but not limited to, unemployment rates and gross domestic product.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Forward looking information incorporated in the ECL models ...continued

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected lifetime losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. The ECL related to these financial assets is always measured on a lifetime basis (Stage 3). Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis as detailed in (note 3 b) iii) impairment of financial assets measured at amortised cost.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information. An explanation of how the Group has incorporated this in its ECL models is included in (note 4 d) Credit risk - Credit risk measurement - Forward looking information incorporated in the ECL models.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

	Change in credit quality since initial recognition		
	Stage 1	Stage 2	Stage 3
Risk Assessment	Initial recognition or credit risk is considered low	Significant increase in credit risk since initial recognition	Credit-impaired assets
Expected credit losses	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk if:

- An obligor's external or internal credit rating is downgraded to below investment grade (BB+/Ba1, its internal equivalent or lower) compared to the rating at initial recognition;
- A below investment grade instrument is lowered by 1 or multiple notches; or
- Payment of principal and/or interest is more than 30 days past due.

If one or more of the above conditions are satisfied, the financial asset is transferred to Stage 2 from Stage 1. The assignment of a financial instrument to Stage 3 will be based on the status of the obligor being in default. Assets in stage 2 or 3 will be transferred back to stage 1 or 2 once the criteria for significant increase in credit risk or impairment are no longer met.

The staging assessment requires the Group to monitor credit risk through regular credit reviews or other monitoring at a counterparty level. All loans and investment securities held by the Group are allocated to a credit quality rating or risk grade (internal or external) based on the most recent review, forward-looking or other available information on an annual basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by Management.

Backstop

A backstop is applied and the financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

The Group defines default as the occurrence of one or more of the following events:

- The obligor is unlikely to pay its debt obligations (principal, interest or fees) in full;
- The occurrence of a credit loss event with any obligation of the obligor, such as a charge-off, specific provision, or distresses restructuring involving forgiveness or postponement of principal, interest or fees;
- The obligor is past due more than 90 days on any credit obligation; or
- The obligor has filed for bankruptcy or similar protection from creditors.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations. The Group segments investment securities between sovereign and corporate, as there are different probabilities of default for these instruments based on the nature of the financial institution with whom the instrument is held.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Credit risk measurement ...continued

Definition of default and credit-impaired assets ...continued

The Group has not rebutted and maintains that default takes place when a financial asset is 90 days past due given its contractual obligations. An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six (6) months. This period of six (6) months has been determined based on consideration given to historical performance of the financial instrument returning to default status after cure.

Expected credit loss measurement

Maximum exposure to credit risk - Financial instruments subject to impairment

The following tables contain analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	2026 \$	2025 \$
Assets		
Cash and cash equivalents	63,581,402	55,417,477
Receivables	46,920,079	27,150,600
Investment securities		
Amortised cost	184,185,921	144,258,557
FVOCI	246,612,599	264,294,702
Mortgage loan facilities	27,313,610	25,565,058
Total credit risk exposure	568,613,611	516,686,394

The above table represents a worst-case scenario of credit risk exposure as at March 31, 2026 and 2025 without taking account of any collateral held or other credit enhancements attached.

For statement of financial position assets, the exposure set out in the above table are gross of loss allowance as reported in the consolidated statement of financial position.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Maximum exposure to credit risk - Financial instruments subject to impairment ...continued

Investment securities

	Summary of Investment Securities ECL Staging 2026			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Quoted corporate bonds	331,137,199	15,204,208	—	346,341,407
Quoted sovereign bonds	27,333,649	2,241,823	—	29,575,472
Quoted supranational bonds	6,835,289	—	—	6,835,289
Term deposits	4,517,716	—	5,000,000	9,517,716
Unquoted bonds	37,302,579	—	1,226,057	38,528,636
Gross carrying amount	407,126,432	17,446,031	6,226,057	430,798,520
Provision for expected credit losses	(301,429)	(478,767)	(6,226,057)	(7,006,253)
Carrying amount	406,825,003	16,967,264	—	423,792,267

	Summary of Investment Securities ECL Staging 2025			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Quoted corporate bonds	318,208,672	4,390,679	—	322,599,351
Quoted sovereign bonds	31,188,543	2,261,274	—	33,449,817
Quoted supranational bonds	5,092,948	—	—	5,092,948
Term deposits	5,591,589	—	5,000,000	10,591,589
Unquoted bonds	32,710,394	2,760,497	1,348,663	36,819,554
Gross carrying amount	392,792,146	9,412,450	6,348,663	408,553,259
Provision for expected credit losses	(387,942)	(392,920)	(6,348,663)	(7,129,525)
Carrying amount	392,404,204	9,019,530	—	401,423,734

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Maximum exposure to credit risk - Financial instruments subject to impairment ...continued

Mortgage loan facilities

	Summary of Mortgage loan facilities			
	ECL Staging 2026			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Mortgage loans portfolio	18,633,773	—	—	18,633,773
Mortgage-pledged loan	4,518,919	—	—	4,518,919
Mortgage credit facility	4,160,918	—	—	4,160,918
Gross carrying amount	27,313,610	—	—	27,313,610
Provision for expected credit losses	(246,861)	—	—	(246,861)
Carrying amount	27,066,749	—	—	27,066,749

	Summary of Mortgage loan facilities			
	ECL Staging 2025			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Mortgage loans portfolio	15,178,176	—	—	15,178,176
Mortgage-pledged loan	5,887,758	—	—	5,887,758
Mortgage credit facility	4,499,124	—	—	4,499,124
Gross carrying amount	25,565,058	—	—	25,565,058
Provision for expected credit losses	(209,500)	—	—	(209,500)
Carrying amount	25,355,558	—	—	25,355,558

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Maximum exposure to credit risk - Financial instruments subject to impairment ...continued

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stages 1, 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and,
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Loss allowance ...continued

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	2026			
	Investment securities			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$	\$	\$	\$
Loss allowance as at April 1, 2025	387,942	392,920	6,348,663	7,129,525
Movements with P/L impact:				
Transfers:				
Transfers from Stage 1 to Stage 2	(6,023)	6,023	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 1	—	—	—	—
Transfers from Stage 3 to Stage 1	—	—	—	—
New financial assets originated or purchased	61,198	—	—	61,198
Changes in PDs/LGDs/EADs	(133,951)	351,980	—	218,029
Financial assets derecognised during the year	(7,737)	(272,156)	(122,606)	(402,499)
Total net P&L charge during the year	(86,513)	85,847	(122,606)	(123,272)
Other movements with no P/L impact				
Transfers from Stage 3 to Stage 2	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
Write-offs	—	—	—	—
Loss allowance as at March 31, 2026	301,429	478,767	6,226,057	7,006,253

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Loss allowance ...continued

	2025			Total \$
	Stage 1 12-month ECL \$	Investment securities Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	
Loss allowance as at April 1, 2024	539,895	323,930	5,000,000	5,863,825
Movements with P/L impact:				
Transfers:				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 1	—	—	—	—
Transfers from Stage 3 to Stage 1	—	—	—	—
New financial assets originated or purchased	79,509	—	—	79,509
Changes in PDs/LGDs/EADs	(102,924)	152,500	1,317,659	1,367,235
Financial assets derecognised during the year	(128,538)	(52,506)	—	(181,044)
Total net P&L charge during the year	(151,953)	99,994	1,317,659	1,265,700
Other movements with no P/L impact				
Transfers from Stage 3 to Stage 2	—	—	—	—
Transfers from Stage 2 to Stage 3	—	(31,004)	31,004	—
Write-offs	—	—	—	—
Loss allowance as at March 31, 2025	387,942	392,920	6,348,663	7,129,525

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Loss allowance ...continued

	2026 Mortgage loan facilities			
	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at April 1, 2025	209,500	—	—	209,500
Movements with P/L impact:				
Transfers:				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 1	—	—	—	—
Transfers from Stage 3 to Stage 1	—	—	—	—
New financial assets originated or purchased	67,920	—	—	67,920
Changes in PDs/LGDs/EADs	(30,559)	—	—	(30,559)
Recoveries	—	—	—	—
Financial assets derecognised during the year	—	—	—	—
Total net P&L charge during the year	37,361	—	—	37,361
Other movements with no P/L impact				
Transfers from Stage 3 to Stage 2	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
Write-offs	—	—	—	—
Loss allowance as at March 31, 2026	246,861	—	—	246,861

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Loss allowance ...continued

	2025 Mortgage loan facilities			
	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at April 1, 2024	316,230	—	—	316,230
Movements with P/L impact:				
Transfers:				
Transfers from Stage 1 to Stage 2	—	—	—	—
Transfers from Stage 1 to Stage 3	—	—	—	—
Transfers from Stage 2 to Stage 1	—	—	—	—
Transfers from Stage 3 to Stage 1	—	—	—	—
New financial assets originated or purchased		—	—	
Changes in PDs/LGDs/EADs	(45,052)	—	—	(45,052)
Recoveries	—	—	—	—
Financial assets derecognised during the year	(61,678)	—	—	(61,678)
Total net P&L charge during the year	(106,730)	—	—	(106,730)
Other movements with no P/L impact				
Transfers from Stage 3 to Stage 2	—	—	—	—
Transfers from Stage 2 to Stage 3	—	—	—	—
Write-offs	—	—	—	—
Loss allowance as at March 31, 2025	209,500	—	—	209,500

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

d) Credit risk ...continued

Expected credit loss measurement ...continued

Loss allowance ...continued

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were due to:

- Significant purchases of investment grade or lower risk investment securities particularly quoted corporate bonds consistent with the Group's investment strategy to diversify risk. The Group's acquisition of these instruments resulted in an overall decrease in the Stage 1 allowances (12-month ECLs) due to improvements in the PDs and LGDs;
- The classification of few financial assets under Stage 3, as these financial assets were considered to be in default due to Management's assessment of the credit risk associated with the counterparties, payment history and future expected repayments. Management continues to aggressively pursue the amounts categorised under Stage 3 allowances. Recoveries made during the period led to further decreases in the Stage 3 allowance.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

e) Management of credit risk

The table below breaks down the Group's main credit exposure at the carrying amounts, categorised by geographical regions as of March 31, 2026 with comparatives for 2025. In this table, the Group has allocated exposure to regions based on the country of domicile of the counterparties.

	St. Kitts and Nevis \$	Other ECCU Member States \$	Other Caribbean \$	USA \$	UK \$	Other \$	Total \$
Cash and cash equivalents	21,823,728	—	154,427	41,603,247	—	—	63,581,402
Receivables	573,976	46,346,103	—	—	—	—	46,920,079
Investment securities							
Amortised cost	9,832,018	6,744,431	36,852,503	106,660,298	—	17,608,177	177,697,427
FVOCI	—	—	—	126,921,012	12,468,153	106,705,675	246,094,840
Mortgage loan facilities	5,899,340	21,167,409	—	—	—	—	27,066,749
As at March 31, 2026	38,129,062	74,257,943	37,006,930	275,184,557	12,468,153	124,313,852	561,360,497
Cash and cash equivalents	13,260,319	—	140,528	42,016,630	—	—	55,417,477
Receivables	622,808	26,527,792	—	—	—	—	27,150,600
Investment securities							
Amortised cost	8,097,950	5,014,575	42,800,167	66,231,914	—	15,393,942	137,538,548
FVOCI	—	—	—	145,747,090	10,965,120	107,172,976	263,885,186
Mortgage loan facilities	7,704,298	17,651,260	—	—	—	—	25,355,558
As at March 31, 2025	29,685,375	49,193,627	42,940,695	253,995,634	10,965,120	122,566,918	509,347,369

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

e) Management of credit risk ...continued

Economic sector concentrations within the mortgage loan facilities were as follows:

	2026 \$	2026 %	2025 \$	2025 %
Credit unions	16,457,298	61	12,627,422	50
Development banks	10,609,451	39	12,728,136	50
	27,066,749	100	25,355,558	100

Credit risk exposure based on the Group's internal corporate rating system

The following tables analyses the credit rating by internally developed and assessed investment ratings of financial assets bearing credit risk. The investment securities are disclosed before the ECL allocation.

The internal credit ratings assigned to investments are as follows:

Investment securities	Meaning	Internal rating	Range (Moody's)	2026 \$	2025 \$
Description of grade					
Investment grade	Exceptional	1	Aaa	14,512,111	12,371,978
Investment grade	Excellent	2	Aa1 to Aa3	32,576,669	12,918,043
Investment grade	Strong	3	A1 to A3	135,680,210	114,916,523
Investment grade	Good	4	Baa1 to Baa3	183,129,755	211,638,355
Speculative grade	Satisfactory	5	Ba1 to Ba3	29,854,029	17,750,636
Speculative grade	Adequate	6	B1 to B3	21,633,441	26,884,526
Credit impaired	Loss	10	—	6,226,057	6,348,663
				423,612,272	402,828,724

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

e) Management of credit risk ...continued

The internal credit ratings assigned to mortgages are as follows:

Mortgage loan facilities	Meaning	Internal rating	Range (Moody's)	2026 \$	2025 \$
Description of grade					
Speculative grade	Satisfactory	5	Ba1 to Ba3	11,329,095	12,405,326
Speculative grade	Adequate	6	B1 to B3	15,984,515	13,159,732
				27,313,610	25,565,058

f) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to the obligor's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Group manages interest rate risk by monitoring interest rates daily and ensuring that the maturity profile of its financial assets is matched by that of its financial liabilities to the extent practicable, given the nature of the business. The directors and management believe that the Group has limited exposure for foreign currency risk as its foreign current assets and liabilities are denominated in United States Dollars, which is fixed to Eastern Caribbean Dollars at the rate of \$2.70.

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustment within a specified period. It can be reflected as a loss of future net interest income and/or a loss of current market values.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

f) Market risk ...continued

i) Interest rate risk ...continued

The following table summarises the carrying amounts of assets and liabilities to arrive at the Group's interest rate gap based on the earlier of contractual repricing and maturity dates.

	Within 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at March 31, 2026						
Financial assets:						
Cash and cash equivalents	63,251,838	—	—	—	331,064	63,582,902
Receivables	—	—	—	—	46,920,079	46,920,079
Investment securities						
Amortised cost	9,297,488	5,726,375	150,905,454	11,768,110	—	177,697,427
FVOCI	—	8,317,508	62,124,296	175,653,036	100,000	246,194,840
Mortgage loan facilities	585,285	1,755,855	8,361,340	16,364,269	—	27,066,749
Total financial assets	73,134,611	15,799,738	221,391,090	203,785,415	47,351,143	561,461,997
Financial liabilities:						
Borrowings	131,945,049	272,746,000	—	—	—	404,691,049
Other borrowings	67,500,000	—	—	—	—	67,500,000
Accrued expenses and other liabilities	—	—	—	—	3,988,529	3,988,529
Lease liability	42,172	128,426	220,563	—	—	391,161
Total financial liabilities	199,487,221	272,874,426	220,563	—	3,988,529	476,570,739
Interest sensitivity gap	(126,352,610)	(257,074,688)	221,170,527	203,785,415	43,362,614	84,891,258

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

f) Market risk ...continued

i) Interest rate risk ...continued

As at March 31, 2025	Within 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Financial assets:						
Cash and cash equivalents	55,364,952	—	—	—	53,525	55,418,477
Receivables	—	—	—	—	27,150,600	27,150,600
Investment securities						
Amortised cost	5,542,757	16,176,375	98,159,453	17,659,963	—	137,538,548
FVOCI	3,012,163	1,696,629	47,733,920	211,442,474	100,000	263,985,186
Mortgage loan facilities	543,920	1,631,760	10,263,122	12,916,756	—	25,355,558
Total financial assets	64,463,792	19,504,764	156,156,495	242,019,193	27,304,125	509,448,369
Financial liabilities:						
Borrowings	120,595,773	269,743,000	—	—	—	390,338,773
Other borrowings	34,560,000	—	—	—	—	34,560,000
Accrued expenses and other liabilities	—	—	—	—	4,115,830	4,115,830
Lease liability	44,776	—	—	—	—	44,776
Total financial liabilities	155,200,549	269,743,000	—	—	4,115,830	429,059,379
Interest sensitivity gap	(90,736,757)	(250,238,236)	156,156,495	242,019,193	23,188,295	80,388,990

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

f) Market risk ...continued

i) Interest rate risk ...continued

Interest rate sensitivity

The Group's interest rate risk arises from investment securities and mortgage loan facilities. The sensitivity of the income statement is the effect of the assumed changes in interest rates on net income.

	Impact on net profit	
	2026	2025
	\$	\$
Interest rate - increase by 1.00% (2025: 1.00%)	1,156,768	988,152
Interest rate - decrease by 1.00% (2025: 1.00%)	(1,156,768)	(988,152)

ii) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flow from, financial instruments will vary because of exchange rate fluctuations. The Group incurs currency risk on transactions that are denominated in a currency other than the functional currency, the EC Dollar. The main currency giving rise to this risk is the US Dollar. However, the EC Dollar is fixed to the US Dollar at the rate of 2.70.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements
March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

f) Market risk ...continued

ii) Foreign currency risk ...continued

The following table summarises the Group's exposure to foreign currency risk as of March 31, 2026 and 2025. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

	Eastern Caribbean Dollar \$	United States Dollar \$	Total \$
As at March 31, 2026			
Financial assets			
Cash and cash equivalents	21,777,671	41,805,231	63,582,902
Receivables	46,920,079	—	46,920,079
Investment securities			
Amortised cost	13,505,521	164,191,906	177,697,427
FVOCI	100,000	246,094,840	246,194,840
Mortgage loan facilities	27,066,749	—	27,066,749
	109,370,020	452,091,977	561,461,997
Financial liabilities			
Borrowings	404,691,049	—	404,691,049
Other borrowings	—	67,500,000	67,500,000
Accrued expenses and other liabilities	3,928,755	59,774	3,988,529
Lease liability	391,161	—	391,161
	409,010,965	67,559,774	476,570,739
Net statement of financial position	(299,640,945)	384,532,203	84,891,258

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

f) Market risk ...continued

iii) Foreign currency risk ...continued

	Eastern Caribbean Dollar \$	United States Dollar \$	Total \$
As at March 31, 2025			
Financial assets			
Cash and cash equivalents	13,259,284	42,159,193	55,418,477
Receivables	27,150,600	—	27,150,600
Investment securities			
Amortised cost	9,810,171	127,728,377	137,538,548
FVOCI	100,000	263,885,186	263,985,186
Mortgage loan facilities	25,355,558	—	25,355,558
	75,675,613	433,772,756	509,448,369
Financial liabilities			
Borrowings	390,338,773	—	390,338,773
Other borrowings	—	34,560,000	34,560,000
Accrued expenses and other liabilities	4,115,830	—	4,115,830
Lease liability	44,776	—	44,776
	394,499,379	34,560,000	429,059,379
Net statement of financial position	(318,823,766)	399,212,756	80,388,990

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

g) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, monitor future cash flows and liquidity on a daily basis and have funding available through an adequate amount of committed facilities such as access to a credit line held with Raymond James. Fallback mechanisms include access to the procurement of bank overdrafts with commercial banks, stand-by lines of credit with external parties, the issuance of corporate papers maturing in monthly tranches and the issuance of preference shares.

Due to the dynamic nature of the underlying businesses, the management of the Group ensures that sufficient funds are held in short-term marketable instruments to meet its liabilities and disbursement commitments when due, without incurring unacceptable losses or risk damage to the Group's reputation.

The daily liquidity position is monitored by reports covering the position of the Group. The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to cash available for disbursements. For this purpose, net liquid assets are considered as including cash and cash equivalents and short-term marketable securities, less loan and bond commitments to borrowers within the coming year.

The Group utilises the survival horizon metric to monitor short to medium term liquidity requirements. The survival horizon measures the time the Group is able to fulfil all its payment obligations stemming from ongoing business operations under a severe stressed scenario. The Group's target survival horizon is twelve (12) months. The Group uses stress testing to calculate the liquidity requirements corresponding to different survival horizons.

The Group also utilises projections of cash inflows and outflows based on historical trends to monitor short to medium-term liquidity requirements.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

g) Liquidity risk ...continued

Maturities analysis of assets and liabilities

The following table presents the contractual maturities of financial assets and liabilities, on the basis of their earliest possible contractual maturity.

	Within 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
As at March 31, 2026					
Assets:					
Cash and cash equivalents	63,582,902	—	—	—	63,582,902
Receivables	46,920,079	—	—	—	46,920,079
Investment securities					
Amortised cost	9,374,399	7,538,413	177,315,004	16,055,388	210,283,204
FVOCI	—	8,539,164	70,936,345	322,779,548	402,255,057
Mortgage loan facilities	585,285	1,755,855	8,361,340	16,364,269	27,066,749
Total assets	120,462,665	17,833,432	256,612,689	355,199,205	750,107,991
Liabilities:					
Borrowings	134,746,485	277,540,554	—	—	412,287,039
Other borrowings	67,559,774	—	—	—	67,559,774
Accrued expenses and other liabilities	3,988,529	—	—	—	3,988,529
Lease liability	45,000	135,000	225,000	—	405,000
Total liabilities	206,339,788	277,675,554	225,000	—	484,240,342
Net liquidity gap	(86,877,123)	(259,842,122)	256,387,689	355,199,205	265,867,649

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

g) Liquidity risk ...continued

Maturities analysis of assets and liabilities ...continued

	Within 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
As at March 31, 2025					
Assets:					
Cash and cash equivalents	55,418,477	—	—	—	55,418,477
Receivables	27,150,600	—	—	—	27,150,600
Investment securities					
Amortised cost	5,550,916	16,716,276	117,334,326	24,055,565	163,657,083
FVOCI	3,033,259	1,754,941	54,460,080	378,368,220	437,616,500
Mortgage loan facilities	543,920	1,631,760	10,263,122	12,916,756	25,355,558
Total assets	91,697,172	20,102,977	182,057,528	415,340,541	709,198,218
Liabilities:					
Borrowings	123,050,888	273,285,458	—	—	396,336,346
Other borrowings	34,591,329	—	—	—	34,591,329
Accrued expenses and other liabilities	4,115,830	—	—	—	4,115,830
Lease liability	45,000	—	—	—	45,000
Total liabilities	161,803,047	273,285,458	—	—	435,088,505
Net liquidity gap	(70,105,875)	(253,182,481)	182,057,528	415,340,541	274,109,713

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

h) Operational risk

The growing sophistication of the banking industry has made the Group's operational risk profile more complex. Operational risk is inherent to all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud. The Group recognises that such risks can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. Independent checks on operational risk issues are also undertaken by the internal audit function.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Board of Directors. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance when this is effective.

i) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

i) Capital management ...continued

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total bonds in issue (as shown in the statement of financial position as “Borrowings”) and the revolving line of credit (as shown in the statement of financial position as “Other borrowings”). Total capital is calculated as ‘equity’ as shown in the statement of financial position. The Board of Directors requires the Group to maintain a maximum gearing ratio of 8.00:1.

	2026 \$	2025 \$
Total Debt	472,191,049	424,898,773
Total Equity	85,728,199	80,960,920
Debt to Equity ratio	5.51	5.25

There were no changes to the Group’s approach to capital management during the year.

j) Fair value estimation

The table below summarises the carrying and fair values of the Group’s financial assets and liabilities.

	Carrying value		Fair value	
	2026 \$	2025 \$	2026 \$	2025 \$
Cash and cash equivalents	63,582,902	55,418,477	63,582,902	55,418,477
Receivables	46,920,079	27,150,600	46,920,079	27,150,600
Investment securities				
Amortised cost	177,697,427	137,538,548	176,874,495	137,940,288
FVOCI	246,194,840	263,985,186	246,194,840	263,985,186
Mortgage loan facilities	27,066,749	25,355,558	27,138,319	24,896,971
	561,461,997	509,448,369	560,710,635	509,391,522
Borrowings	404,691,049	390,338,773	404,691,049	390,338,773
Other borrowings	67,500,000	34,560,000	67,500,000	34,560,000
Accrued expenses and other liabilities	3,988,529	4,115,830	3,988,529	4,115,830
Lease liability	391,161	44,776	391,161	44,776
	476,570,739	429,059,379	476,570,739	429,059,379

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

j) Fair value estimation ...continued

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Mortgage loan facilities represent residential mortgages loans portfolio and other credit facilities issued for further provision of mortgage loans by the third-party institution. Outstanding balances are carried based on its principal and interest. The fair values of mortgages are equal to their carrying values.

The fair values of the floating rate debt securities in issue is based on quoted market prices where available and where not available is based on a current yield curve appropriate for the remaining term to maturity.

Accordingly estimates contained herein are not necessarily indicative of the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Financial instruments where carrying value is equal to fair value due to their short-term maturity include cash and cash equivalents, receivables and accrued expenses and other liabilities.

k) Fair value measurements recognised in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observed.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

4 Financial risk management ...continued

k) Fair value measurements recognised in the statement of financial position ...continued

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis:

March 31, 2026	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at fair value through other comprehensive income (FVOCI)				
Quoted corporate bonds	236,535,254	—	—	236,535,254
Quoted sovereign bonds	6,916,388	—	—	6,916,388
Unquoted equity instrument	—	—	100,000	100,000
Fair value	243,451,642	—	100,000	243,551,642
March 31, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at fair value through other comprehensive income (FVOCI)				
Quoted corporate bonds	250,928,565	—	—	250,928,565
Quoted sovereign bonds	10,044,907	—	—	10,044,907
Unquoted equity instrument	—	—	100,000	100,000
Fair value	260,973,472	—	100,000	261,073,472

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

5 Critical accounting estimates and judgements

The Group's consolidated financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management's judgement, which necessarily have to be made in the course of preparation of the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates that have a significant risk of causing material adjustments to the carrying amounts of assets within the next financial year are discussed below.

When preparing the consolidated financial statements, Management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may be substantially different.

i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is earlier detailed, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out below.

The most significant assumptions affecting the ECL allowance are as follows:

- The determination of the estimated time to sell the underlying collateral securing the financial assets;
- The determination of the fair value of the underlying collateral securing the financial assets; and
- The determination of the probabilities of default utilised in the assessment of 12-month and lifetime credit losses.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

5 Critical accounting estimates and judgements ...continued

ii) Motor vehicles and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

6 Motor vehicles and equipment

	Motor vehicles \$	Computer equipment \$	Furniture and fixtures \$	Leasehold improvement \$	Total \$
Year ended March 31, 2026					
Opening net book value	358,165	26,244	-	14,271	398,680
Additions	-	156,541	-	10,820	167,361
Depreciation charge (note 21)	(82,000)	(56,182)	-	(17,577)	(155,759)
Depreciation write back	-	-	-	-	-
Closing net book value	276,165	126,603	-	7,514	410,282
Year ended March 31, 2025					
Opening net book value	68,482	14,210	130	71,356	154,178
Additions	410,000	20,175	-	-	430,175
Disposals	(317,000)	-	-	-	(317,000)
Depreciation charge (note 21)	(74,617)	(8,141)	(130)	(57,085)	(139,973)
Depreciation write back	271,300	-	-	-	271,300
Closing net book value	358,165	26,244	-	14,271	398,680

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

7 Leases

The Group leases its office from the ECCB and the lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The lease term is three (3) years with the option to renew for another three (3) years on such terms mutually agreed to by both parties. The Group does not have the option to purchase the space at the end of the lease term. The asset and liability arising from the lease were initially measured using a discount rate of 3.00%.

Information about leases for which the Group is a lessee is presented below:

	2026 \$	2025 \$
Right-of-use asset		
Opening balance	42,984	214,916
Additions	515,797	-
Amortisation	(171,933)	(171,932)
Closing balance	386,848	42,984

	2026 \$	2025 \$
Lease liability		
Opening balance	44,776	220,563
Additions	515,797	-
Interest expense	10,588	4,213
Lease payment	(180,000)	(180,000)
Closing balance	391,161	44,776

	2026 \$	2025 \$
Lease liability		
Current	170,598	44,776
Non-current	220,563	-
	391,161	44,776

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

7 Leases ...continued

The future minimum lease payments as at March 31, 2026 were as follows:

	Minimum lease payments due						
	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	3 - 4 years \$	4 - 5 years \$	After 5 years \$	Total \$
March 31, 2026							
Lease payments	180,000	180,000	45,000	—	—	—	405,000
Finance charges	(9,402)	(4,213)	(224)	—	—	—	(13,839)
Net present value	170,598	175,787	44,776	—	—	—	391,161

The future minimum lease payments as at March 31, 2025 were as follows:

	Minimum lease payments due						
	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	3 - 4 years \$	4 - 5 years \$	After 5 years \$	Total \$
March 31, 2025							
Lease payments	45,000	—	—	—	—	—	45,000
Finance charges	(224)	—	—	—	—	—	(224)
Net present value	44,776	—	—	—	—	—	44,776

The amounts recognised in profit and loss for the year ended March 31, 2026 are as follows:

	2026 \$	2025 \$
Amounts recognised in profit and loss		
Amortisation expense on right-of-use assets (note 21)	171,933	171,932
Interest expense on lease liability (note 21)	10,588	4,213

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities

	2026 \$	2025 \$
At amortised cost		
Unquoted bonds	38,034,664	36,111,793
Quoted corporate bonds	105,433,281	67,419,204
Quoted sovereign bonds	22,192,695	22,857,160
Term deposits	9,401,000	10,400,000
Quoted supranational bonds	6,799,990	5,067,095
	181,861,630	141,855,252
Interest receivable	2,324,291	2,403,305
Total amortised cost (gross)	184,185,921	144,258,557
Less provision for expected credit losses	(6,488,494)	(6,720,009)
Total amortised cost (net)	177,697,427	137,538,548
At fair value through other comprehensive income		
Quoted corporate bonds	236,535,254	250,928,565
Quoted sovereign bonds	6,916,388	10,044,907
Unquoted equity investment	100,000	100,000
	243,551,642	261,073,472
Interest receivable	3,160,957	3,321,230
Total FVOCI (gross)	246,712,599	264,394,702
Less provision for expected credit losses	(517,759)	(409,516)
Total FVOCI (net)	246,194,840	263,985,186
Total investment securities	423,892,267	401,523,734
Current	23,441,371	26,527,925
Non-current	400,450,896	374,995,809
Total investment securities	423,892,267	401,523,734

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities ...continued

The movement of the investment securities is shown below:

	Amortised cost \$	FVOCI \$	Total \$
March 31, 2026			
Principal			
Balance at beginning of year	141,855,252	261,073,472	402,928,724
Additions	71,307,738	7,129,986	78,437,724
Net change in fair value	—	1,687,503	1,687,503
Disposals	(31,133,420)	(24,701,798)	(55,835,218)
Bond premium amortisation	(167,940)	(1,637,521)	(1,805,461)
	181,861,630	243,551,642	425,413,272
Interest receivable	2,324,291	3,160,957	5,485,248
Less provision for expected credit losses	(6,488,494)	(517,759)	(7,006,253)
Balance at end of year	177,697,427	246,194,840	423,892,267
	Amortised cost \$	FVOCI \$	Total \$
March 31, 2025			
Principal			
Balance at beginning of year	107,457,359	279,391,065	386,848,424
Additions	68,843,220	960,143	69,803,363
Net change in fair value	—	3,463,915	3,463,915
Disposals	(34,375,972)	(21,459,779)	(55,835,751)
Bond premium amortisation	(69,355)	(1,281,872)	(1,351,227)
	141,855,252	261,073,472	402,928,724
Interest receivable	2,403,305	3,321,230	5,724,535
Less provision for expected credit losses	(6,720,009)	(409,516)	(7,129,525)
Balance at end of year	137,538,548	263,985,186	401,523,734

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities ...continued

The movement in the provision for expected credit losses is as follows:

	2026 \$	2025 \$
Balance at the beginning of year	7,129,525	5,863,825
Amounts written off	—	—
Recovery in loss allowance for the year	(122,606)	—
Loss allowance for the year	(666)	1,265,700
Balance at end of year	7,006,253	7,129,525

a) Quoted corporate and sovereign bonds

The Group has certain investment securities which comprise of quoted corporate and sovereign bonds trading in United States Dollar. Bonds have coupon rates of 2.25% to 9.25% (2025: 0.00% to 9.25%) whilst the effective interest rates for these bonds range from 3.50% to 34.66% (2025: 3.73% to 27.02%). Bonds have a weighted average maturity of 12 years and will mature between April 2026 to December 2066 while paying semi-annual coupon payments until maturity. As at March 31, 2026, the fair values of these amounted to \$371,379,052 (2025: \$351,331,823) which were derived using level 1 inputs as these bonds are quoted in active markets.

b) Unquoted Bonds denominated in Eastern Caribbean Dollars and United States Dollars are held with regional governments and corporates and yield interest rates of 2.0% to 9.5% (2025: 2.0% to 8.5%) with maturity dates ranging from June 2026 to October 2036.

c) Term deposits

Term deposits are held in various financial institutions in the wider Caribbean and are all expected to mature by January 2027. The deposits bear interest of 3.25 - 4.75% (2025: 5.0%).

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities ...continued

c) Term deposits ...continued

Term deposit held with CLICO International Life Insurance Limited

Clico International Life Insurance (“Clico Life”), a company duly incorporated under the laws of Barbados with insurance business in several Eastern Caribbean countries including St. Lucia acquired 20,000 Class D shares in the Eastern Caribbean Home Mortgage Bank (“the Bank”) from The Home Mortgage Bank (Trinidad and Tobago). Clico Life as an insurance company was required to establish insurance funds with the Registrar of Insurance in each jurisdiction where it operated, as security for its obligations under the policies issues in those respective jurisdictions. Clico Life pledged 20,000 Class D shares from the Bank to the Registrar of Insurance in St. Lucia on October 6, 2008 as part of its mandatory statutory deposit requirement to conduct insurance business.

The Bank holds an Executive Flexible Premium Annuity (EFPA) with CLICO International Life Insurance Limited (CLICO Barbados), a member of the CL Financial Group, of \$5,000,000. The EFPA matured in October 2009. In 2011, the Bank was informed that CLICO had been placed under judicial management. On July 28, 2011, the Judicial Manager submitted its final report to the High Court in Barbados setting out its findings and recommendations. As a result, the Bank took the decision to withhold dividends for the financial years 2011 to 2017 and 2019 to 2023 totalling \$2,250,000.

By order dated April 11, 2011, the Registrar of Insurance et al v Clico International Life Insurance Limited, placed the aforesaid in receivership, and Mr. Richard Surage was appointed as Judicial Manager with respect to the insurance business carried on in St. Lucia. The high court in St. Lucia authorized the Judicial Manager to deal with all the assets and property owned by Clico Life (St. Lucia). The order further directed that the Judicial Manager in discharging his obligations shall be empowered to carry out the following functions:

- (a) To ascertain the assets of the Company and their location and take all steps necessary including Court actions where appropriate to obtain possession of such assets, including, without prejudice to the generality of the foregoing, reinsurance receivables, and to bring the same under his control and further, where appropriate, bring into the jurisdiction of the Honourable Court and, for this purpose, to seek the assistance of the Court of the various jurisdictions in which assets of the Company are located.

Under the authority of order dated April 11, 2011 in the St. Lucia Claim, the Judicial Manager brought an action in the jurisdiction of St. Lucia in Claim Number **SLUHCY2019/0087** Clico International Life Insurance Limited (in Judicial Management) V Eastern Caribbean Home Mortgage Bank to order the defendant to comply with the claimant’s demand to deal with the sell the 20,000 Class F shares owned by the claimant and for damages in the sum of \$1,550,000 plus interest. In a decision dated October 16, 2020, the judge dismissed the claim on the basis that a court of Saint Lucia has no jurisdiction to make the order sought. The learned judge further stated, “whilst an international corporate body is not to be treated as subject to the domestic law of any participating state, it is to be governed by the treaty which establishes it. It is the case with ECHMB that the Companies Act of Grenada applies to it as if it were a company incorporated there. In these circumstances, the shares would have to be treated as though there were shares in a Grenada company subject to the Companies Act of Grenada and therefore it is a court in Grenada which would have jurisdiction to try the claim and not this Court.”

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities ...continued

c) Term deposits ...continued

Term deposit held with CLICO International Life Insurance Limited...continued

The Judicial Manager filed a claim on the March 16, 2021 in Grenada which seeks the following:-

- (a) A declaration that the Claimant acting through its Judicial Manager is entitled to deal with and sell the 20,000 Class F Shares owned by the Claimant in the Bank for such sum and on such terms as the Claimant might think fit, subject only to the Bye-Laws of the Defendant and the Eastern Caribbean Home Mortgage Bank Agreement Cap. 19:08;
- (b) Payment of the sum of \$1,550,000.00 due and owing to the Claimant by the Bank as dividends on 20,000 Class F shares number 074563 to 094562 financial years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 together with interest.

On October 31, 2023, the case was heard and on March 14, 2024 the High Court in Grenada ruled on behalf of the Judicial Manager (St. Lucia). The Board of Directors contended that there is reasonable basis for appeal and filed a Notice of Appeal.

It was considered prudent to provide for any possible losses by reversing the dividends previously netted off against the investment in the Group's statement of financial position which gave rise to a dividend payable of \$2,250,000 to the Claimant in FY 2024. Given the improbability of realising the investment, the Group took the decision to classify the aforesaid as Stage 3 with 100% provision which gave rise to an increase in the provision for expected credit losses of \$2,150,000 in FY 2024.

Depositors' Protection Trust (DPT)

On July 22, 2011, the ECCB exercised the powers conferred on it by Part IIA, Article 5B of the ECCB Agreement Act 198 and assumed control of the Antigua and Barbuda Investment Bank (ABIB). Relative to this, the Government of Antigua and Barbuda pledged its full support to the ECCB in its efforts to resolve the challenges facing ABIB.

By the Depositors Protection Trust Deed (the "DPT") dated April 14, 2016 between the Government of Antigua and Barbuda, the Trustees of the DPT and the Receiver of the ABIB, a DPT was established to assist with securing the stability of the banking system of Antigua and Barbuda by protecting the deposits of ABIB in excess of \$500,000. The Government of Antigua and Barbuda agreed to fund the DPT by issuing a 10-year bond to the DPT in the amount of \$157,000,000.

With respect to the \$500,000 which was not to be transferred to the DPT, this balance was converted to a fixed deposit and current account with the Eastern Caribbean Amalgamated Bank (ECAB). These accounts were duly transferred to the Bank in 2017.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

8 Investment securities ...continued

c) Term deposits ...continued

Depositors' Protection Trust (DPT)... continued

The DPT would assume the liabilities of amounts in excess of \$500,000 held in the ABIB. As of March 31, 2017, the Bank held an amount of \$4,904,228 in excess of \$500,000 with ABIB. Accordingly, under the Terms of the Agreement, this amount became a liability to the DPT, subject to the completion of the Deed of Subrogation.

Under the Deed, depositors covered under the DPT would receive ten (10) annual equal instalments equal to 1/10th of the principal benefit transferred to the DPT. Payments related to these balances were to commence on May 31, 2016. Furthermore, outstanding balances remaining in the DPT attract interest at an interest rate of 2.0% per annum accruing from December 1, 2015, the payment of which was to be made on May 31, 2016 and thereafter twice in each year starting on November 30, 2017 and continuing every six months until full payment has been made of the principal benefit.

The DPT's Deed was executed in financial year 2019 and the Bank received principal and interest payments based on terms noted. As at March 31, 2026, the Bank held an outstanding principal of \$1,226,057 (2025: \$1,348,663). Interest earned in 2026 amounted to \$17,982 (2025: \$29,017).

DPT was reclassified from Stage 2 – Significant Increase in Credit Risk to Stage 3 – Credit Impaired Assets, following a comprehensive assessment of its financial condition and exposure in FY 2025. Previously, DPT was categorized under Stage 2 ECL, indicating a notable increase in credit risk with expected credit losses recognised over the asset's lifetime. However, due to further deterioration in financial performance and an inability to meet debt obligations, the company was classified as Stage 3 – Fully Impaired, necessitating full provisioning of expected credit losses.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

9 Mortgage loan facilities

	2026 \$	2025 \$
Mortgage loans portfolio	18,633,773	15,178,176
Mortgage-pledged loan	4,518,919	5,887,758
Mortgage credit facility	4,160,918	4,499,124
	27,313,610	25,565,058
Provision for expected credit losses	(246,861)	(209,500)
	27,066,749	25,355,558
Current	2,341,140	2,175,680
Non-current	24,725,609	23,179,878
	27,066,749	25,355,558
	2026 \$	2025 \$
Territory analysis		
Anguilla	10,721,515	6,370,914
St. Kitts and Nevis	5,899,340	7,704,297
Grenada	5,589,535	6,144,659
Antigua and Barbuda	4,856,359	5,135,688
	27,066,749	25,355,558

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

9 Mortgage loan facilities ...continued

Movement in the balance is as follows:

	2026 \$	2025 \$
Balance at beginning of year	25,355,558	31,330,078
Add: Loans purchased	4,602,524	-
Less: Principal repayments	(2,541,044)	(2,468,833)
Mortgages that were repurchased or replaced	(312,928)	(2,127,698)
Mortgages pools repurchased	-	(1,484,719)
	27,104,110	25,248,828
(Increase) / decrease in provision for expected credit losses	(37,361)	106,730
Total	27,066,749	25,355,558

The movement in the provision for credit losses determined under the requirements of IFRS is as follows:

	2026 \$
Balance at beginning of year	209,500
Change in expected credit losses for the year	37,361
Balance at end of year	246,861
	2025 \$
Balance at beginning of year	316,230
Change in expected credit losses for the year	(106,730)
Balance at end of year	209,500

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

9 Mortgage loan facilities ...continued

Terms and conditions of mortgage loan facilities

a) Purchase of mortgages

The Group enters into Sale and Administration Agreements with Primary Lending Institutions in the OECS territories for the purchase of mortgages. Mortgages are purchased at the outstanding principal on the settlement date.

b) Recourse to primary lending institutions

Under the terms of the Sale and Administration Agreement, the Administrator (Primary Lending Institution) warrants that any default, loss or title deficiency occurring during the life of the loans secured by the Purchased Mortgages will be remedied.

c) Administration fees

The Primary Lending Institutions are responsible for administering the mortgages on behalf of the Group at an agreed fee on the aggregate principal amount, excluding any accrued interest, penalties or bonuses, outstanding at the beginning of the month in reference.

d) Rates of interest

Rates of interest earned vary from 3.5% to 11.0% (2025: 3.5% to 11.0%). During the financial year, the Group earned interest income of \$1,663,573 (2025: \$1,680,843) (see note 18).

Terms and conditions of mortgage credit facility

The Group advances funds for origination of mortgages by Primary Lenders domiciled in the ECCU such as Commercial Banks, Development Banks, Insurance Companies and Credit Unions (collectively referred to as "Primary Lenders"). The mortgages originated from these funds are subsequently sold to the Group. The interest rate on the mortgage credit facility is 3.5% (2025: 3.5%) with an average tenor of eleven (11) years. The Primary Lender bears the credit risk of the mortgages and any defaults, loss or title deficiency and/or other obligations secured by the mortgages will be remedied by the Primary Lender and the Group shall be protected and indemnified by the Primary Lender against any and all resulting losses.

Terms and conditions of mortgage-pledged loans

The Group provides funds for the origination of mortgages to regulated mortgage-lending institutions in the ECCU. The mortgages generated from the funds are not sold to the Group, instead, a pool of mortgages is pledged as collateral for the loan. The interest rates on mortgage-pledge loans vary from 3.5% to 4.0% (2025: 3.5% to 4.0%) with an average tenor of six (6) years.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

10 Receivables and prepayments

	2026 \$	2025 \$
Other receivables	45,800,000	25,815,000
Receivables	1,120,079	1,335,600
Prepayments	39,811	130,266
	46,959,890	27,280,866

Other receivables represent amounts receivable from bondholders for their participation in the Group's Corporate Paper HMB310327 (2025: HMB280326). The balances are non-interest bearing and are all current.

Receivables mainly represent loan payments collected by the Group's primary lenders as loan administrators which have not yet been remitted to the Group as of the reporting date. Receivable balances are non-interest bearing and are all current.

11 Cash and cash equivalents

	2026 \$	2025 \$
Cash on hand	1,500	1,000
Cash in banks	63,581,402	45,283,601
Money market instruments	—	10,133,876
	63,582,902	55,418,477

Cash in banks earned interest at rates ranging from 0% to 1.75% (2025: 0% to 2.25%). During the year, the interest income earned on these financial assets was \$182,609 (2025: \$239,469).

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

12 Share capital

Ordinary share capital

The Bank is authorised to issue 400,000 (2025: 400,000) ordinary shares of no par value.

As at March 31, 2026, there were 268,749 (2025: 268,749) ordinary shares of no par value issued and outstanding.

	Number of shares	2026 \$	2025 \$
Class A	66,812	9,189,920	9,189,920
Class B	51,178	7,562,200	7,562,200
Class C	80,181	11,062,800	11,062,800
Class D	70,578	9,185,020	9,185,020
	268,749	36,999,940	36,999,940

The Group has adopted the provisions of the Grenada Companies Act No. 35 of 1994, which requires companies to issue shares without nominal or par value. Under Article 29 - Capital Structure of the Eastern Caribbean Home Mortgage Bank Act, (1) Subject to Article 30, the authorised shares capital of the Bank is \$40,000,000 divided into 400,000 shares of the \$100 each, in the following classes:

- (a) 100,000 Class A shares which may be issued only to the Central Bank;
- (b) 60,000 Class B shares out of which 40,000 may be issued only to the Social Security Scheme or National Insurance Board and 20,000 to any Government owned or controlled commercial bank;
- (c) 80,000 Class C shares which may be issued only to commercial banks, other than a Government owned or controlled commercial bank;
- (d) 40,000 Class D shares which may be issued only to insurance companies and credit institutions;
- (e) 40,000 Class E shares which may be issued only to the International Finance Corporation; and,
- (f) 80,000 Class F shares which may be issued only to the Home Mortgage Bank of Trinidad and Tobago.

Preference share capital

The Bank is authorised to issue 500,000 (2025: 500,000) 5% Non-cumulative Callable Preference shares with par value of \$100.00. As at March 31, 2026, there were 499,000 (2025: 499,000) 5% Non-cumulative Callable Preference shares with par value of \$100 issued and outstanding.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

12 Share capital ...continued

Preference share capital ... continued

5% Non-cumulative Callable Preference Shares	Shares 2026	Shares 2025	2026 \$	2025 \$
Balance at the beginning of the year	499,000	472,358	49,900,000	47,235,800
Additions	-	26,642	-	2,664,200
Balance at end of the year	499,000	499,000	49,900,000	49,900,000

On March 18, 2021, the Board of Directors approved the authorisation of 100,000 5% Non-cumulative Callable Preference Shares at \$100.00. On July 19, 2021, the Board of Directors agreed to increase the authorisation from 100,000 to 150,000 units. On November 17, 2022, the Board of Directors agreed to the authorisation of 350,000 Non-cumulative 5.0% Preference Shares at \$100.00.

The following is a summary of applicable terms attaching or relating to the 5% non-cumulative callable preference shares:

a) Dividends

Determination of future dividend payments by the Bank will be at the discretion of the Directors and depend on several factors: availability of distributable earnings; operating results and financial health of the Bank; future capital expenditure and general business and other factors considered relevant by the Directors. No assurance for the payment of dividends can be given by the Bank.

b) Meetings, Voting, Appointment as a Director and Notice

Non-cumulative Callable Preference Shareholders are entitled to receive notice of, and to attend, general meetings of the Bank and to receive all notices, accounts and other documents required to be sent to Shareholders under the Corporations Act. Non-cumulative Callable Preference Shareholders shall have no voting rights. The Non-cumulative Callable Preference Shareholders are not eligible to be appointed as a director of the Bank.

c) Redemption

The shares exist in perpetuity with no maturity date. However, the shares are callable in whole or in part at the sole discretion of the Bank. Each investor grants to the Bank or its nominees an irrevocable Redemption Offer to buy the Non-cumulative Callable Preference Shares held by the investor at the price they were issued inclusive of any outstanding dividends. The Bank can choose to exercise the Redemption Offer at its discretion. The Bank is not required to exercise the redemption offer on all Non-cumulative Callable Preference Shares at the same time or in any specific order.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

13 Reserves

Portfolio risk reserve

In March 2004, the Board of Directors approved the creation of a portfolio risk reserve. After the initial transfers from retained earnings, the Board of Directors also agreed to an annual allocation to each reserve fund of 20% of profits after the appropriation for dividends, effective March 31, 2005. On April 5, 2019, the Board of Directors took a decision to transfer the amount of \$5,479,902 to retained earnings to treat with the impairment of assets resulting from implementation of IFRS 9. The Board further approved the suspension of the annual allocation from retained earnings to the portfolio risk reserve for the year ended March 31, 2019, which resumed in the financial year ended March 31, 2020, at the rate of 20% of profits after the appropriation of dividends. On April 30, 2021, the Board agreed to the transfer of \$8,000,000 from Retained Earnings to the Portfolio Risk Reserve for the financial year ended March 31, 2021. On March 23, 2022, the Board agreed to transfer \$10,000,000 from Retained Earnings to the Portfolio Risk Reserve for the financial year ended March 31, 2022. In FY 2024, the Board agreed to resume the annual allocation to each reserve fund of 20% of profits after the appropriation for dividends.

	2026 \$	2025 \$
Balance at beginning of year	24,975,235	24,474,029
Transfer from retained earnings	613,613	501,206
Balance at end of year	25,588,848	24,975,235

Fair value reserve

The movement on the net change in fair value of investment securities at FVOCI is as follows:

	2026 \$	2025 \$
Loss at the beginning of year	58,401,299	61,865,214
Current year gains	(1,343,087)	(3,374,270)
Reclassification of net gains to profit and loss on disposal of investment securities	(344,416)	(89,645)
Loss at end of year	56,713,796	58,401,299

14 Dividends

At the Annual General Meeting on October 3, 2025 (2025: October 4, 2024), shareholders declared a dividend for the year ended March 31, 2025 to ordinary and preference shares of record dated March 31, 2025 of \$5.00 per share (2025: \$5.00) and 5.0% per share (2025: 5.0%) respectively amounting to \$3,838,745 (2025: \$3,705,535). Dividends paid during the financial year amounted to \$3,738,745 (2025: \$3,605,535).

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

15 Borrowings

	2026 \$	2025 \$
Corporate papers		
Balance at beginning of year	387,747,000	378,281,000
Add: Issues during the year	402,076,000	387,747,000
Less: Redemptions during the year	(387,747,000)	(378,281,000)
	402,076,000	387,747,000
Less: unamortised issue costs	(245,191)	(235,537)
	401,830,809	387,511,463
Interest payable	2,860,240	2,827,310
Total	404,691,049	390,338,773
Current portion	404,691,049	390,338,773

Corporate papers are comprised of one-year debt instruments maturing in monthly tranches with maturity dates ranging from April 16, 2026 to March 31, 2027 (2025: April 15, 2025 to March 28, 2026).

Corporate papers issued by the Group are secured by debentures over its fixed and floating assets. Interest is payable semi-annually in arrears at rates of 3.00% (2025: 3.00%). Interest expense incurred during the year amounted to \$11,925,342 (2025: \$10,846,287).

Borrowing costs are those costs directly attributable to the issuance of the various debt instruments and are classified as interest expense. Borrowing costs incurred during the year amounted to \$431,152 (2025: \$406,156).

The breakdown of capitalised corporate paper issue costs and transaction costs is as follows:

	2026 \$	2025 \$
Capitalised issue costs		
Balance at beginning of year	235,537	220,148
Additions	260,578	256,133
	496,115	476,281
Less: amortisation for year	(250,924)	(240,744)
Balance at end of year	245,191	235,537

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

15 Borrowings ...continued

Capitalised issue costs

The corporate paper issue costs are being amortised over the duration of the life of the respective corporate paper for a period of one year (2025: one year) which carry interest rates of 3.00% (2025: 3.00%).

Transaction costs on other borrowed funds

The costs associated with the negotiation of other borrowings are being amortised over the tenure of the funds acquired.

16 Other borrowings

	2026 \$	2025 \$
Revolving line of credit	67,500,000	34,560,000

Revolving line of credit

During the financial year, the Group utilised its Securities Based Line of Credit (SBLC) held with the United States Brokers, Raymond James & Associates Inc which carries interest rates ranging from 4.78% to 5.47% and is repayable on demand. The Group is authorised to borrow up to EC\$67,500,000 (US\$25,000,000). This facility serves as an alternative source of liquidity and is secured by the assets held in the custody of Raymond James and Associates Inc. As at March 31, 2026, the assets held in custody of Raymond James and Associates Inc. was \$226,629,884 (2025: \$244,439,040).

17 Accrued expenses and other liabilities

	2026 \$	2025 \$
Dividends payable	2,450,000	2,350,000
Accrued expenses	791,285	1,139,836
Other liabilities	747,244	416,704
Deferred Income	-	209,290
Current portion	3,988,529	4,115,830

The dividends payable relate to **Claim No. GDAHCV2021/0111** between CLICO International Life Insurance Limited (under Judicial Management) (claimant) and the Eastern Caribbean Home Mortgage Bank (defendant). The case was heard on October 31, 2023 and on March 14, 2024, an adverse judgement was issued against the Bank and the Directors have taken the decision to appeal the same.

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

17 Accrued expenses and other liabilities ... continued

It was considered prudent to provide for any possible losses by reinstating the disputed investment in the Bank's statement of financial position which gave rise to a dividend payable of \$2,250,000 to the Claimant in FY 2024. At the Annual General Meeting on October 3, 2025 (2024: October 4, 2024), shareholders declared a dividend for the year ended March 31, 2025 to ordinary and preference shares of record dated March 31, 2025 of \$5.00 per share (2024: \$5.00) and 5.0% per share (2024: 5.0%) respectively which gave rise to a dividend payable of \$100,000 to the Claimant in FY 2026 (2025: \$100,000). Further disclosure on the matter is made under Note 8 (c).

18 Interest income

	2026 \$	2025 \$
Investment securities and cash and cash equivalents	20,338,672	19,867,748
Mortgage loan facilities	1,663,573	1,680,843
	<u>22,002,245</u>	<u>21,548,591</u>

19 Other income

	2026 \$	2025 \$
Mortgage underwriting seminar income	505,794	354,453
Mortgage underwriting seminar expenses	(509,518)	(341,361)
	(3,724)	13,092
Bonus income on investment securities	1,842,805	1,413,173
Gain on disposal of money market instruments	408,958	587,264
Gain on disposal of financial assets at amortised cost	221,257	1,383
Miscellaneous	12,500	10,000
Gain on disposal of motor vehicles and equipment	-	91,800
Loss on disposal of financial assets at FVOCI	(183,922)	(82,626)
	<u>2,297,874</u>	<u>2,034,086</u>

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

20 General and administrative expenses

	2026	2025
	\$	\$
Salaries and related costs	2,644,919	2,490,381
Advertising/promotion and donation	391,070	309,498
Commission and fees	311,779	302,140
Amortisation - right of use asset (note 7)	171,933	171,932
Consultancy - HR	130,000	40,500
Telephone	96,436	77,757
Computer repairs and maintenance	88,319	98,183
Consultancy	75,488	90,050
Miscellaneous	70,561	71,539
Hotel accommodation	51,647	31,063
Internal audit fees	44,811	-
Credit rating fee	40,500	52,884
Repairs and maintenance	28,893	52,882
Shared Services - HR	26,616	125,996
Subsistence	19,562	35,980
Airfares	16,612	52,490
Insurance	13,904	12,480
Interest - lease liability (note 12)	10,588	4,213
Dues and subscriptions	8,192	5,176
Legal and professional	2,576	15,569
Printing and stationery	1,101	2,542
Courier services	114	213
	4,245,621	4,043,468

21 Other operating expenses

	2026	2025
	\$	\$
Directors fees and expenses	465,820	468,217
Depreciation of motor vehicles and equipment (note 6)	155,759	139,973
Audit fees	94,400	115,000
Sundry debt instrument listing, registry and processing fees	67,012	90,737
	782,991	813,927

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

22 Earnings per share (EPS)

Basic and diluted earnings per share are computed as follows:

	2026 \$	2025 \$
Net profit for the year	6,918,521	6,211,564
Weighted average number of shares issued	268,749	268,749
Basic and diluted earnings per share	25.74	23.11

The Group has no dilutive potential ordinary shares as of March 31, 2026 and 2025.

23 Contingent liabilities and capital commitments

The budget as approved by the Board of Directors does not include capital expenditure for the year ended March 31, 2027.

24 Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related company refers to the subsidiary. Related parties include directors, key management of the Group and companies for which the Group provides management services. Key management personnel are those persons having authority and responsibility for planning, directing and executing the activities of the Group, directly or indirectly. Such persons comprise the Chief Executive Officer, the Chief Financial Officer, the Chief Operations Officer, the Chief Investment Officer and the Chief Risk and Compliance Officer. The compensation paid or payable to key management for employee services includes gratuity which is computed with reference to annual basic salary at a rate determined by the Board of Directors. Provisions for these amounts are included in the consolidated statement of financial position within "Accrued expenses and other liabilities".

The ECCB holds 24.9% of the Group's share capital and its representative holds the chairmanship of the Board of Directors. Additionally, the Group is housed in the complex of the ECCB at an annual rent of \$180,000 (2025: \$180,000).

The Group maintains a call account with the ECCB for the primary purpose of settlement of transactions relating to the investment portfolio. As at March 31, 2026, the balance held with the ECCB was \$20,967,143 (2025: \$12,573,497).

+

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Notes to the Consolidated Financial Statements

March 31, 2026

(Expressed in Eastern Caribbean dollars)

25 Related party balances and transactions ...continued

Compensation of key management personnel

The remuneration of directors and key management personnel during the year was as follows:

	2026 \$	2025 \$
Short-term benefits	1,356,670	1,296,264
Director fees	228,200	225,400
	<u>1,584,870</u>	<u>1,521,664</u>

Short-term loans to key management personnel

Short-term loans to key management personnel during the year were as follows:

	2026 \$	2025 \$
Short-term loans	<u>20,000</u>	<u>22,000</u>

26. Comparatives

The presentation of certain comparative figures has been amended to conform to the current year's format. This has no impact on the net profit or comprehensive income of the Group.



Transcending Boundaries, Creating Opportunities

www.echmb.com

☎ (869)466-7869 ✉ info@echmb.com

