



**ECFH**

East Caribbean Financial Holding Company Limited

# Momentum with Meaning.

ANNUAL REPORT 2025





## Momentum with Meaning.

2025 was a year that reinforced the belief in everything BOSL stands for: steady progress, sound performance, and a deeper commitment to the people and businesses who trust us every day. It is a story of **momentum with meaning** - growth that supports aspirations, profitability that sustains stability, and investment that improves how customers experience the Bank in branch, online, and in community life. As we move toward a landmark anniversary in the upcoming year, this Annual Report **reflects results and readiness**. BOSL is poised for the next chapter, grounded in trust, energized by possibility, and prepared to create even greater value in the years ahead.



## VISION

To power success for individuals and institutions through financial inclusion, innovation and wealth creation.

## MISSION

We are committed to creating sustained value for our customers, shareholders, and communities in the markets we serve, through service excellence, tailored financial solutions, sound corporate social programmes, innovation, and transformative leadership. We empower our employees through training, development, and rewards to optimize returns for our stakeholders.

## CORE VALUES

### “I CARE”

- Integrity & Ethics
- Commitment to Results
- Accountability
- Respect for the Individual
- Excellence in Service

Notice of Twenty-Fifth Annual Meeting of Shareholders	6
ECFH Group Corporate Information	7
Relationships and Corporate Structure	8
Spend Life Living Feature Page	9
Performance at a Glance	10
Financial Highlights	11
Chairman’s Report	12
ECOSmart Feature Page	15
Corporate Governance	16
Directors’ Report	21
Board of Directors	22
Management Teams	24
Management Discussion & Analysis	26
Elite Builders Feature Page	37
Our BOSL Story Feature Page	38
BOSL Fund Management Company Limited	40
<b>EXTRACT OF BANK OF SAINT LUCIA LIMITED CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	41
Consolidated Statement of Profit or Loss	43
Consolidated Statement of Comprehensive Income	44
Financial Reporting Responsibilities	45
Corporate Social Responsibility	46
<b>EAST CARIBBEAN FINANCIAL HOLDING COMPANY LIMITED CONSOLIDATED FINANCIAL STATEMENTS</b>	
Independent Auditors’ Report	51
Consolidated Statement of Financial Position	60
Consolidated Statement of Changes in Equity	62
Consolidated Statement of Profit or Loss	63
Consolidated Statement of Comprehensive Income	64
Consolidated Statement of Cash Flows	65
Notes to the Consolidated Financial Statements	67

# Notice of Twenty-Fifth Annual Meeting Of Shareholders

Notice is hereby given that the Twenty Fifth Annual Meeting of the East Caribbean Financial Holding Company Limited will be held at the Finance Administrative Complex, Pointe Seraphine, Castries Saint Lucia on **Monday June 15, 2026, at 5:00 p.m.**, for the following purposes:

1. To consider and adopt the Report of Directors for the year ended December 31, 2025.
2. To consider and adopt the Report of the Auditors and the Audited Financial Statements for the year ended December 31, 2025.
3. To Sanction Dividends for the year ended December 31, 2025.
4. To re-appoint Auditors and authorize the Directors to fix their remuneration.
5. To elect Directors.

BY ORDER OF THE BOARD



Estherlita Cumberbatch  
Corporate Secretary

## NOTE:

### PERSONS ENTITLED TO NOTICE

In accordance with Section 108(2) of the Companies Act, Chapter 13.01 Revised Laws of Saint Lucia 2001, the Directors of the Company have fixed May 15th, 2026 as the Record Date for the determination of shareholders who are entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Registered Office of the company during usual business hours.

# ECFH Group Corporate Information

## REGISTERED OFFICE

# 1 Bridge Street  
P.O. Box 1860  
Castries, Saint Lucia  
Tel: (758) 456 6000  
Fax: (758) 456 6702  
Email: [info@ecfh.com](mailto:info@ecfh.com)  
Website: [www.ecfh.com](http://www.ecfh.com)

## CHAIRMAN

Evaristus Jn Marie  
M.Sc. MAAT, Acc. Dir.

## CORPORATE SECRETARY

Estherlita Cumberbatch B.Sc. (Mgmt.),  
LLB (Hons), FCIS

## LEGAL COUNSEL

Floissac, Duboulay & Thomas  
Quadrant Row  
9-11 Brazil Street  
P.O. Box 722  
Castries, Saint Lucia

Gordon, Gordon & Co.  
10 Manoel Street  
P.O. Box 161  
Castries, Saint Lucia

Athena Law  
Unit #6 Chakiro Court  
Vide Bouteille  
P.O. Box 1761  
Castries, Saint Lucia

## PRINCIPAL SUBSIDIARY

Bank of Saint Lucia Limited  
# 1 Bridge Street  
P.O. Box 1862  
Castries, Saint Lucia  
Tel: (758) 456 6000  
Fax: (758) 456 6702  
Email: [info@bankofsaintlucia.com](mailto:info@bankofsaintlucia.com)  
Website: [www.bankofsaintlucia.com](http://www.bankofsaintlucia.com)

## REGULATORS

Eastern Caribbean Central Bank  
Eastern Caribbean Securities Regulatory  
Commission  
Financial Services Regulatory Authority -  
Saint Lucia

## EXTERNAL AUDITOR

PricewaterhouseCoopers  
East Caribbean  
Unit 111 Johnsons Centre  
No. 2 Bella Rosa Road  
P.O. Box BW 304  
Gros Islet, Saint Lucia  
Tel: (758) 722 6700  
Website: [www.pwc.com/bb](http://www.pwc.com/bb)

# Correspondent Banks and Relationships & ECFH Corporate Structure

## CORRESPONDENT BANKS AND RELATIONSHIPS

OECS	REGIONAL	INTERNATIONAL
Antigua Commercial Bank	First Citizens Bank Limited	Bank of America Merrill Lynch
Caribbean Credit Card Corporation Ltd	Victoria Mutual	Bank of Montreal
Eastern Caribbean Securities Exchange	National Commercial Bank of Jamaica Limited	Raymond James
Eastern Caribbean Central Bank	Republic Bank Ltd	Jefferies
	Republic Bank (Guyana) Ltd	Bank of New York Mellon
Bank of Montserrat Ltd.	Unit Trust Corporation	Banque Cramer & Cie SA
Bank of Nevis	Republic Bank (Barbados) Limited	Toronto Dominion Bank
Bank of St. Vincent & the Grenadines Limited		Crown Agents Financial Services Limited
Eastern Caribbean Amalgamated Bank Limited (ECAB)		W1M
First Citizens Investment Services Limited		Lloyds TSB Bank Plc
National Commercial Bank of Anguilla Limited		Morgan Stanley Smith Barney
National Bank of Dominica Limited		Oppenheimer & Co
Republic Bank (Grenada) Limited		Telco AG
Saint Kitts Nevis Anguilla National Bank Limited		

## ECFH OWNERSHIP

NAME	PERCENTAGE OF OWNERSHIP
Government of Saint Lucia	20%
National Insurance Corporation (Saint Lucia)	25%
Republic Financial Holdings Limited	11%
OECS Indigenous Banks & Financial Institutions	14%
Private Individuals & Institutions	30%

## ECFH CORPORATE STRUCTURE



# Carried by Momentum. Made for Everyday Life.

The Spend Life Living campaign was advanced to drive new credit card acquisition while increasing card frequency and everyday usage. Built on the idea that customers need no other card or payment solution when they have one of the Bank's cards, the campaign has gained encouraging traction and continues to show positive signs of growth.



Spend  
Life  
Living

# ECFH Financial Highlights

	2025	2024	2023	2022	2021	2020
	EC\$000	EC\$000	EC\$000	EC\$000	EC\$000	EC\$000
<b>Income Statement</b>						
Interest Income	139,410	122,321	102,615	80,167	73,632	79,130
- Interest Expense	28,885	28,122	26,950	26,748	27,881	28,075
<b>= Net Interest Income</b>	<b>110,525</b>	<b>94,199</b>	<b>75,665</b>	<b>53,419</b>	<b>45,751</b>	<b>51,055</b>
+ Other Income	116,212	108,264	88,323	63,631	55,083	62,772
<b>= Operating Income</b>	<b>226,737</b>	<b>202,463</b>	<b>163,988</b>	<b>117,050</b>	<b>100,834</b>	<b>113,827</b>
- Staff Costs	41,122	38,472	30,451	31,450	27,116	33,699
- Administrative Costs	82,389	60,896	57,547	47,577	42,521	37,768
- Impairment Losses/(Recovery) - Loans & Investments	4,437	(8,918)	(10,831)	(11,029)	5,703	28,074
<b>= Profit before Taxes and Dividends</b>	<b>98,789</b>	<b>112,013</b>	<b>86,821</b>	<b>49,052</b>	<b>25,494</b>	<b>14,286</b>
<b>Balance Sheet</b>						
Cash and Balances with Central Bank	275,040	318,586	274,084	245,455	270,955	258,761
+ Investments	2,190,173	1,979,448	1,476,212	1,254,163	1,141,456	1,066,621
+ Loans	1,008,869	909,020	859,465	860,980	803,904	799,318
+ Other	451,688	417,576	376,289	291,773	238,993	211,589
<b>= Total Assets</b>	<b>3,925,770</b>	<b>3,624,630</b>	<b>2,986,050</b>	<b>2,652,371</b>	<b>2,455,308</b>	<b>2,336,289</b>
Deposits	3,232,936	2,979,134	2,415,429	2,245,263	2,052,748	1,937,091
+ Borrowings	-	-	26,293	39,246	52,178	60,008
+ Other Liabilities	143,212	199,019	188,490	93,134	63,057	76,126
+ Capital	549,622	446,477	355,838	274,728	287,325	265,429
<b>= Total Liabilities and Capital</b>	<b>3,925,770</b>	<b>3,624,630</b>	<b>2,986,050</b>	<b>2,652,371</b>	<b>2,455,308</b>	<b>2,338,654</b>
<b>Other Information</b>						
<b>ROE</b>	<b>18.9%</b>	<b>24.6%</b>	<b>23.7%</b>	<b>14.8%</b>	<b>8.3%</b>	<b>2.9%</b>
<b>ROA</b>	<b>2.5%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>1.6%</b>	<b>1.0%</b>	<b>0.3%</b>
<b>Ordinary Dividend Payout %</b>	<b>19.5%</b>	<b>14.9%</b>	<b>16.4%</b>	-	-	-
<b>Book Value of Ordinary Shares (\$)</b>	<b>22.46</b>	<b>18.25</b>	<b>14.54</b>	<b>11.23</b>	<b>11.74</b>	<b>10.85</b>
<b>Average Market Value of Ordinary shares (\$)</b>	<b>11.73</b>	<b>4.52</b>	<b>3.73</b>	<b>3.63</b>	<b>4.24</b>	<b>4.44</b>
<b>Earnings per Ordinary Share (\$)</b>	<b>3.86</b>	<b>4.03</b>	<b>3.05</b>	<b>1.70</b>	<b>0.94</b>	<b>0.30</b>
<b>Dividends per Ordinary Share (\$)</b>	<b>1.00</b>	<b>0.75</b>	<b>0.60</b>	<b>0.50</b>	<b>0.00</b>	<b>0.00</b>
<b>Provisions as % of Loan Portfolio</b>	<b>3.3%</b>	<b>4.4%</b>	<b>6.4%</b>	<b>7.9%</b>	<b>9.7%</b>	<b>9.6%</b>
<b>Provisions as % of Non-performing</b>	<b>68.3%</b>	<b>63.0%</b>	<b>68.9%</b>	<b>71.7%</b>	<b>78.5%</b>	<b>77.0%</b>

# YEAR IN NUMBERS

## 2025 PERFORMANCE HIGHLIGHTS

2025 reflected a year of stronger performance, deeper resilience, and measurable progress. The Bank recorded growth across key financial indicators, strengthened its capital position, improved asset quality, expanded its loan portfolio, and delivered increased value to shareholders.



### FINANCIAL PERFORMANCE



**\$122.8M** TOTAL COMPREHENSIVE INCOME

Increased from \$105.4M in 2024, reflecting stronger overall financial performance.



**\$110.5M** NET INTEREST INCOME

Grew from \$94.2M in 2024, underscoring improved earnings from core banking operations.



### BALANCE SHEET STRENGTH



**\$3.9B** TOTAL ASSETS

Increased from \$3.6B in 2024, demonstrating continued growth in the Bank's balance sheet.



**\$3.2B** CUSTOMER DEPOSITS

Rose from \$3.0B in 2024, reflecting sustained customer confidence and liquidity strength.



**\$1.0B** LOAN PORTFOLIO

Expanded from \$909M in 2024, showing continued growth in lending activity.



### ASSET QUALITY AND RESILIENCE

**4.8%**

**NON-PERFORMING LOAN RATIO**

Achieved compliance for the first time in 19 years, marking a major milestone in asset quality and credit management.

**20.48%** CAPITAL ADEQUACY RATIO

Strengthened from 18.76% in 2024, reinforcing the Bank's resilience and capacity for sustainable growth.



### SHAREHOLDER VALUE

**\$12.50**

**SHARE PRICE**

Increased from \$7.00 in 2024, signalling stronger market confidence and improved shareholder value.

**\$1.00**

**DIVIDEND PER SHARE**

Increased from \$0.75 in 2024, delivering greater returns to shareholders.

Together, these numbers tell a clear story of progress. The Bank entered 2025 with stronger fundamentals, delivered improved performance across major indicators, and continued to build confidence among customers, investors, and shareholders.

# Chairman's Report



*Evaristus J. Marie*

Evaristus J. Marie  
Chairman

\$3.9B  
TOTAL ASSETS

\$95.6M  
ECFH PROFIT  
AFTER TAX

\$3.2B  
CUSTOMER  
DEPOSITS

\$82.8M  
BOSL PROFIT  
AFTER TAX

\$1.00 PER  
SHARE  
DIVIDEND PAYOUT

18.9%  
RETURN ON EQUITY



**Steady guidance and principled leadership helped shape a year of purposeful progress and enduring momentum for ECFH.**



### **Fellow Shareholders,**

I am pleased to report that the East Caribbean Financial Holding Company Limited (ECFH) group of companies continued to generate impressive financial results, while strengthening and broadening its level of corporate social responsibility through the Bank of Saint Lucia Limited (BOSL). In a period marked by regional and global uncertainties, BOSL has remained faithful to the year's theme: Momentum with Meaning.

In 2025, the ECFH group made a profit after tax of \$95.6 million compared to \$98.7 million in 2024. The dividend payout for 2024 was seventy-five cents per share, while in 2025 the Board of Directors is proposing a dividend payout of \$1.00 per share, an increase of 33% over 2024.

BOSL recorded profits after tax of \$82.8 million compared to \$89.3 million in 2024. In addition to the Bank's impressive financial results, there are very encouraging signs of a brighter future with the introduction of new products and services. The Bank's loan portfolio surpassed the \$1 billion mark, while the ratio of non-performing loans fell below the industry benchmark of 5%. BOSL remained, by far, the largest financial institution in the Eastern Caribbean Currency Union with total assets of \$3.9 billion and customer deposits up to \$3.2 billion.

These results speak not only to scale but to consumer confidence in the strategic direction and management of the Bank. BOSL has given particular attention and support to micro small and medium-sized enterprises (MSMEs), operating across different sectors of the Saint Lucian economy. This support has not gone unnoticed. In 2025, the Bank won the ECCU Bank of the year award for its support to MSMEs.

Throughout 2025, the Board remained focused on protecting the long-term health of the institution and strengthening its corporate responsibility. The shareholders, customers, staff, government and the wider community are essential elements of the Bank's eco-system, necessary for its long-term sustainability.

**+ \$98.8M**

**PROFIT BEFORE TAXES & DIVIDENDS**

We are, therefore, mindful of ensuring that the needs of stakeholders are given the necessary attention. While we are continuously driven to create value for our customers, we are cognizant of the significant role we need to play in enhancing the lives of people.

BOSL continues to invest in areas that matter deeply to national life; including youth development, sport, culture, community engagement, and financial education. Mention must be made of the support to athletics, football, cricket, the Saint Lucia Jazz & Arts Festival, Lucian Carnival, and school outreach programs.

During the year, the Bank solidified its support to the pediatric ward of OKEU, by committing to its maintenance and general aesthetics. This initiative is part of the Bank's wider support for the health sector.

The BOSL Story was completed and aired on various media platforms during 2025. This is a special project documenting


the journey of the Bank from its pre-merger beginnings, with a historical perspective of the pioneers, as a strong and respected institution. This has been a proud milestone for the Bank and an important tribute to its legacy. By sharing this story with shareholders, the wider local community, and the diaspora, the Bank has been able to honour its history, while affirming its place as a significant actor in the wider story of Saint Lucia's economic and social landscape. It now stands as a proud and inspiring moment for all Saint Lucians that we have the wherewithal to keep transforming the financial architecture of our country through vision, commitment and dedication.

As we look ahead, we do so with cautious and measured confidence. While the external environment will continue to be very uncertain, ECFH will enter the next phase of its journey with stronger financial fundamentals, renewed strategic focus, and a firm commitment to succeed.

The Board will remain steadfast in ensuring that growth is sustainable, innovation is matched by sound governance, and that the interests of stakeholders remain as the ultimate end game.

On behalf of the Board of Directors, I extend sincere thanks to our shareholders for their continued trust and confidence, to our customers for their loyalty - without whom there is no business, to the management and staff for their hard work and dedication, and to our other stakeholders for their continued engagement and support. Let me also thank members of the Board for their dedication and commitment to fostering good governance throughout the various aspects of the Bank's operations.

Thank You!

  
**Evaristus Jn. Marie**  
 Chairman



# Renewed with Momentum. Powered with Meaning.

In 2025, EcoSmart was revitalized with refreshed features and enhanced financing options designed to make renewable energy solutions more accessible and practical. Supporting solar energy, hybrid technologies, and other energy-efficient investments, the product continues to help customers reduce costs while embracing a smarter, more sustainable future.



# Corporate Governance

## INTRODUCTION

The Board of Directors of East Caribbean Financial Holding Company Limited, which also shares the same membership as the Board for Bank of Saint Lucia Limited, is responsible for the governance of the Bank, and is committed to adhering to and maintaining the highest standards of Corporate Governance. It is guided by a formal Corporate Governance Policy, which is continuously updated to ensure that it reflects best practice, and has also adopted the ECCB Guidelines on Corporate Governance

The Board, which comprises appointed and elected directors, meets bi-monthly with extraordinary meetings convened as necessary.

## BOARD RESPONSIBILITIES

The Board provides leadership to subsidiary Bank of Saint Lucia Limited within a framework of sound corporate governance practices and prudent and effective controls that facilitate risk assessment and management. It sets the Bank's strategic goals and financial objectives, through strategic plans, budgets, work plans and succession planning. This ensures that the Bank would continue to achieve sustained growth, efficiency and profitability. The Board establishes the Group's, and so the Bank's, values and ensures that its obligations to shareholders and other stakeholders are understood and met.

## INDEPENDENCE OF THE BOARD

The majority of Directors on the Board are independent in accordance with established Corporate Governance principles. The fiduciary duty of the directors requires that they exercise them solely in the best interest of the Company and its shareholders. The issue of Independence and Conflict of Interest are contained in the Code of Conduct for Directors.

There is a clear delineation of the Board's responsibilities from management's responsibilities for the operations of the Bank. The same individual cannot exercise the roles of Chairman of the Board of Directors and Managing Director. The Managing Director is the only Executive Director.

## SIZE OF THE BOARD

The Board comprises eleven members, ten of whom are elected or appointed by the holders of ordinary shares, and the Managing Director who is an Executive Director. In accordance with the Bye Laws, each ordinary shareholder who holds greater than 10% of the issued ordinary shares of the company shall be entitled to appoint one (1) Director for each 10% of the issued ordinary shares of the Company held. An ordinary shareholder appointing a director on the basis of a 10% ordinary shareholding in the Company shall not be eligible to vote such shares on the election of other Directors.

The composition of the Board reflects the balance of skills, expertise and experience appropriate for the requirements of the business.

**There is a clear delineation of the Board's responsibilities from management's responsibilities for the operations of the Bank.**

## CONFLICT OF INTEREST

Directors are required to complete and sign a Directors' Declaration of Interest Form upon their appointment to Office, which they are expected to update annually during their term of office, with any material changes being reported immediately to the Corporate Secretary. The Code of Conduct for Directors outlines the procedures to be followed in declaring a conflict.

A member of the Board of Directors having a conflict of interest concerning a decision to be taken by the Board is required to declare it to the Chairman or Secretary of the Board in advance, or at the start of that meeting and must excuse him/herself from the discussion and voting on the matter.

## DIRECTOR TENURE

Non-Executive Directors serve for a maximum period of ten years in accordance with the Corporate Governance Policy. The Managing Director, who is an ex-officio Director, retires in accordance with the terms of his contract of employment.

## DIRECTOR ORIENTATION, TRAINING AND EVALUATION

Directors appointed to the Board are exposed to Director Orientation training, which gives information about the operations of the Bank to enable them to gain an understanding of how it operates, the laws that govern it, the risks and industry. This provides the Director the information required to become more effective in their role.

Training is also provided to Directors to keep abreast with the constant changes in the business environment to ensure that their skills are up to date. In addition, all Directors are required to attain the designation of "Accredited Director".

Evaluation of the Board and all Committees are undertaken annually and all shortcomings identified are addressed to ensure continuous improvement and enhancement in their functions.

## DIRECTOR REMUNERATION

Directors are remunerated by payment of Directors Fees only in keeping with the best governance standards for board remuneration. Committee chairmen and members are paid an additional fee for each Committee on which they serve. Executive Directors are not paid fees in respect of their Board or Committee membership. Non-Executive Directors, including the Chairman, do not participate in performance-based incentive plans.

## INDEPENDENT ADVICE

The Board has access to the best possible banking, management, legal, IT and financial advice to assist in its deliberations, which could be accessed on a need's basis. In addition, the Board of Directors may appoint or retain any other professional advisors as required.

## DELEGATED AUTHORITY

The Board is the principal decision-making forum for decisions that impact the Group. The Board of Directors has delegated the responsibility for the operational and day-to-day activities in relation to the Group's business to the Managing Director. The responsibilities of the Managing Director are documented and approved by the Board of Directors. In addition, other structures of delegated authority exist for all the other operational aspects of the Bank through the Executive and extended management group.

## INTERNAL AUDIT

The Internal Audit Department led by the Senior Manager Internal Audit is composed of trained professionals, and its operations are conducted in accordance with the principles of the Institute of Internal Auditors. It provides the Board with Independent assurance on the operations of the Bank and the effectiveness of Internal controls based on audit reviews of the various business units. The Senior Manager reports directly to the Audit Committee of the Board and has direct access to members of the Committee.

## OVERSIGHT OF SUBSIDIARY BOARD

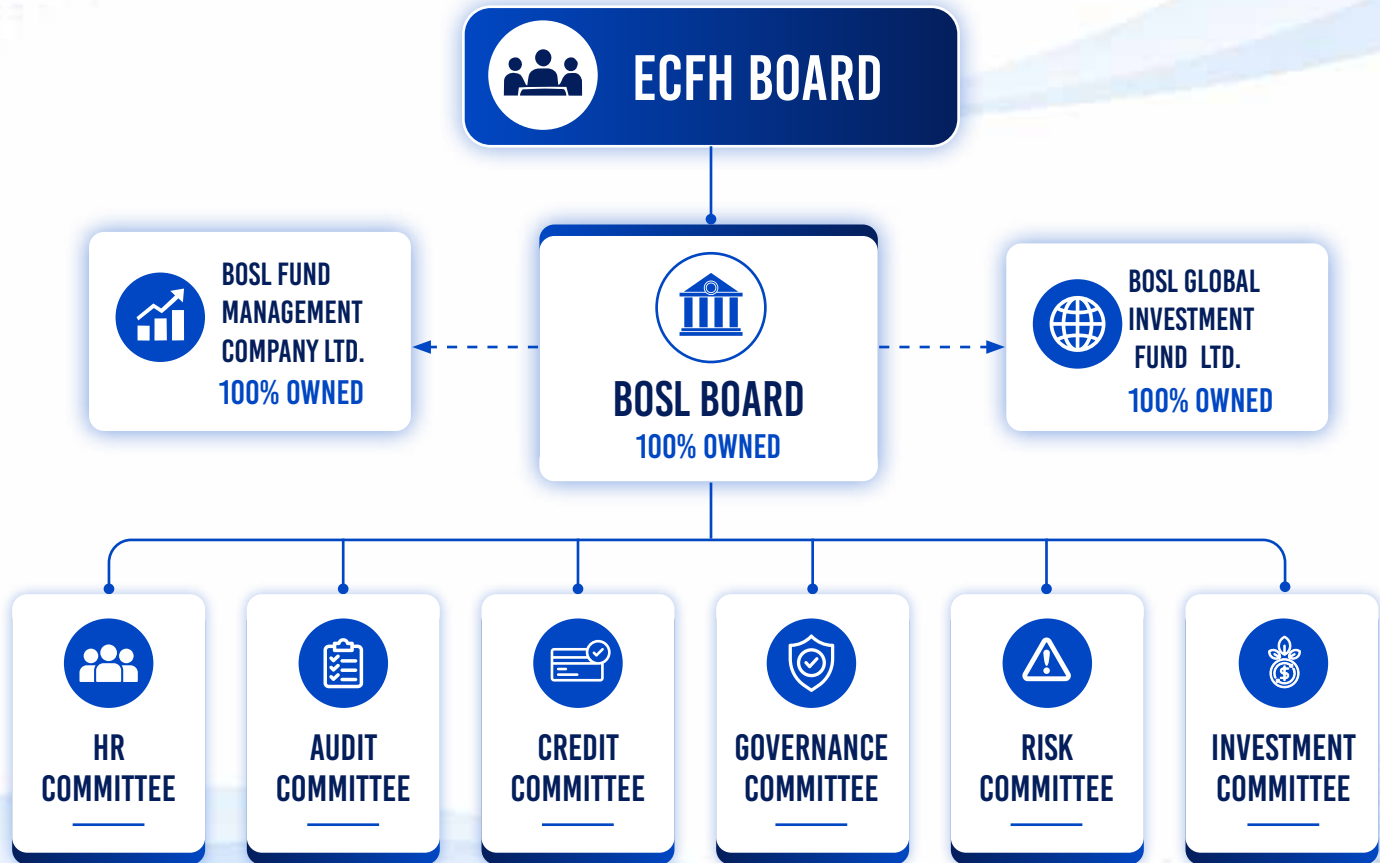
ECFH has a principal subsidiary, Bank of Saint Lucia Limited, whose Board is comprised of the same directors. The ECFH Board has to be aware of all material risks and other issues that may ultimately affect its subsidiary to be able to exercise adequate oversight over the activities of the subsidiary. The subsidiary, Bank of Saint Lucia Limited, has established two subsidiaries namely; BOSL Global Investment Fund Limited and BOSL Fund Management Company Limited.

The Board shall ensure that adequate risk management procedures are in place to identify, assess and monitor risk activities, and to provide the desired balance between risk acceptance and returns. The Risk Management committee meets at least quarterly and reports to the Board quarterly.

**BOARD AND COMMITTEE STRUCTURE**

ECFH has a wholly owned subsidiary, the Bank of Saint Lucia Limited, which has two wholly owned subsidiaries; BOSL Fund Management Company Limited and BOSL Global Investment Fund Limited.

In an effort to allocate tasks and responsibilities at the Board level effectively, the Board has established committees with clearly defined objectives, authorities, responsibilities and tenure. These committees also serve the Board of the subsidiary. The Board shall not delegate matters requiring special approvals to any of its committees.



The Board Committees consist mainly of independent directors and meet at least three times a year, with extraordinary meetings convened as necessary.

The Committees of the Board are as follows:

**1. HUMAN RESOURCE COMMITTEE**

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in the management of the Bank’s human resources and providing recommendations and advice on the HR management strategies, initiatives and policies.

Members	Functions include
<p><b>Pat Payne – Chairperson</b> Crisy Laurent Rolf Phillips Matthew Beaubrun Stephen Louis</p>	<ul style="list-style-type: none"> <li>• Approving staff compensation;</li> <li>• Approving staff policies;</li> <li>• Appointment and Performance Evaluation of Senior Management;</li> <li>• Management Succession Planning;</li> <li>• Staff structuring; and;</li> <li>• Ensuring that the right skills exist for the jobs within the Bank.</li> </ul>

## 2. AUDIT COMMITTEE

The purpose of the Committee is to provide oversight of the company's financial operations.

Members	Functions include
<b>Marcus Joseph - Chairman</b> Stewart Haynes Matthew L. Mathurin Malcolm Alexander Stephen Louis	<ul style="list-style-type: none"> <li>• Ensuring the quality and integrity of the financial statements of the Group;</li> <li>• Ensuring the effectiveness of the systems of internal control over financial reporting;</li> <li>• Reviewing the internal and external audit processes, the Bank's processes for monitoring compliance with applicable laws and, regulations, risk management processes and the code of conduct, and</li> <li>• Reviewing significant accounting and reporting issues.</li> </ul>

## 3. CREDIT COMMITTEE

The purpose of the Committee to assist the Board of Directors in exercising its responsibility for the supervisory oversight of the credit portfolio.

Members	Functions include
<b>Evaristus Jn. Marie - Chairman</b> Stewart Haynes Malcolm Alexander Matthew Beaubrun Marcus Joseph	<ul style="list-style-type: none"> <li>• Reviewing and approving of all policies regarding loans and credit facilities;</li> <li>• Setting lending limits;</li> <li>• Approving loans above management's limit and making appropriate recommendations to the Board for approval;</li> <li>• Recommending and monitoring portfolio/credit concentration limits;</li> <li>• Monitoring trends in delinquencies, non-performing assets and charge-offs loans.</li> </ul>

## 4. GOVERNANCE COMMITTEE

The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities in providing for qualified board succession and promoting the integrity of the Company through the establishment of appropriate corporate governance principles.

Members	Functions include
<b>Matthew Beaubrun - Chairman</b> Pat Payne Crisy Laurent Evaristus Jn. Marie Marcus Joseph	<ul style="list-style-type: none"> <li>• Make recommendations to the Board regarding the filling of vacant elective Directorships;</li> <li>• Develop guidelines on the criteria for the selection of directors, including criteria for the selection of nominees submitted by minority shareholders;</li> <li>• Make nominations and recommendations on behalf of minority shareholders concerning new director candidates in view of pending additions, resignations or retirements;</li> <li>• Oversee, through the Committee Chair, the process for the annual assessment of Board performance.</li> </ul>

## 5. RISK MANAGEMENT COMMITTEE

The purpose of the Committee is to assist the Board of Directors to oversee the risk profile and approve the risk management framework of the Company and its subsidiary within the context of the strategy determined.

Members	Functions
<b>Stewart Haynes - Chairman</b> Malcolm Alexander Matthew L. Mathurin Evaristus Jn. Marie Stephen Louis	<ul style="list-style-type: none"> <li>Reviewing and monitoring aggregate risk levels in the business and the quality of risk mitigation and control for all areas of risk to the business;</li> <li>Making recommendations to the Board on areas for improving management and mitigation of risk;</li> <li>Apprising the Board of progress in implementing improvements, mitigation and actions.</li> </ul>

## 6. INVESTMENT COMMITTEE

The purpose of this Committee is to assist the Board of Directors in the oversight of the investment portfolio to ensure efficacy in maintaining prudent and effective investment management policies and guidelines, and oversight of the management of funds.

Members	Functions include
<b>Matthew L. Mathurin – Chairman</b> Stewart Haynes Rolf Phillips Crisy Laurent	<ul style="list-style-type: none"> <li>Oversee the implementation of the investment policy and guidelines;</li> <li>Consider the appropriate risk management policies and procedures and risk appetite statement of the Bank;</li> <li>Delegate authority for the day-to-day management of the institution's investments to the Investment Management Unit;</li> <li>Develop and approve guidelines for selecting and retaining investment managers. Also, set standards against which their performance will be measured, evaluated and a schedule for conducting evaluations;</li> <li>Review and approve all investment decisions and transactions.</li> </ul>

## PROFILE OF DIRECTORS

Director	Date Appointed	Profession	Qualifications
Evaristus Jn. Marie	August 2021	Management	M.Sc. AAT, Acc. Dir.
Matthew Beaubrun	November 2021	Management	MBA, BA Econ, Acc. Dir
Stewart Haynes	August 2017	Actuary	FIA, CFA, Acc. Dir
Pat Payne	January 2019	HR Professional	MSc.HR Development, Acc. Dir
Malcolm Alexander	October 2021	Retired Banker	Acc. Dir, Banking Experience
Matthew L. Mathurin	November 2021	Accountant/Management	MBA, FCCA, Acc. Dir.
Marcus Joseph	July 2022	Divisional General Manager & Country Head	BPTC, Acc. Dir
Stephen Louis	July 2022	Information & Communications Technology & Management Consultant	DBA, MBA, BSc (Hons), CMC, PMP, Acc. Dir
Crisy Laurent	May 2024	Management	MBA, BSc (Hons)
Rolf Phillips	November 2020	Banker	ACIB, Acc. Dir

# Directors' Report

The Directors submit their Report for the Financial Year ended December 31, 2025.

## CHANGES TO THE BOARD

There were no changes to membership of the Board during the year.

## DIRECTORS' INTEREST

The interests of the Directors holding office at the end of the Company's 2025 Financial Year in the Ordinary Shares of the Company were as follows:

Director	Beneficial Interest
Crisy Laurent	Nil
Stewart Haynes	1,000
Pat Payne	Nil
Rolf K. Phillips	Nil
Evaristus Jn. Marie	Nil
Malcolm Alexander	3,000
Matthew L. Mathurin	8,000
Matthew Beaubrun	1,150
Marcus Joseph	2,710
Stephen Louis	800

There has been no change in these interests occurring between the end of the Company's Financial Year and one month prior to the date of the Notice convening the Annual Meeting.

At no time during or at the end of the Financial Year has any Director had any material interests in any contract or arrangement in relation to the business of the Company or any of its subsidiaries.

## RESTRICTIONS OF TRADING OF SHARES BY DIRECTORS

In accordance with the Securities Act No. 23 of 2001 and the Company's policy on trading of shares by Directors and staff, Directors are restricted from trading in the shares of the company except during two (2) thirty (30) day periods per year.

## SUBSTANTIAL INTERESTS IN SHARE CAPITAL AS AT DECEMBER 31, 2025

Name of shareholder	Class of shares	No. of shares	Percentage of ownership
Government of Saint Lucia	Ordinary	4,893,118	20.00%
National Insurance Corporation (Saint Lucia)	Ordinary	6,116,478	25.00%
Republic Financial Holdings Limited	Ordinary	2,722,084	11.13%
National Insurance Corporation (Saint Lucia)	Preference	830,000	100%

## STAKEHOLDER RELATIONS

The East Caribbean Financial Holding Company Limited (ECFH) values its stakeholders and makes every effort to ensure that Employees, Regulators, Shareholders, Customers, Institutional Investors and all other groups in the communities that it serves are treated fairly. Mechanisms have been put in place to ensure that communication is maintained through a number of channels and that any feedback received is addressed to ensure a mutually rewarding relationship.

## EXTERNAL AUDITORS

The term of the current Auditor, PricewaterhouseCoopers East Caribbean (PwC), came to an end upon the completion of the 2025 audit and the presentation of the audit report to the Board. In accordance with the company's policy on appointment of external auditors, tenders were invited for the audit of ECFH and its subsidiary Bank of Saint Lucia Limited for the three-year period 2026 to 2028 from eligible audit firms operating on island.

The Directors have agreed that a resolution for the appointment of the Auditor for the ensuing year will be contained in the Information Circular that would be presented to shareholders for consideration at the Annual Meeting.

In accordance with Section 162 (i) of the Companies Act, Cap.13.01, the term of the appointment of the External Auditor will extend from the close of the one Annual Meeting until the next Annual Meeting of the Company.

# Board of Directors



**Evaristus Jn. Marie**  
Chairman



**Rolf Phillips**



**Matthew Beaubrun**



**Matthew L. Mathurin**

“

**Strategic oversight and disciplined governance were provided to ensure ECFH’s momentum remained purposeful, resilient, and aligned with long-term value.**

”

# Board of Directors



**Marcus Joseph**



**Stewart Haynes**



**Pat Payne**



**Malcom Alexander**



**Crisy Laurent**



**Stephen Louis**

# Management Teams

Executive Management



**ROLF PHILLIPS**  
Managing Director



**ESTHERLITA CUMBERBATCH**  
Corporate Secretary



**KETHA AUGUSTE**  
Chief Financial Officer



**MEDFORD FRANCIS**  
Deputy Managing Director - Lending &  
Investments



**DANIEL EUGENE**  
Deputy Managing Director  
- Operations A.g.

**Strategy was translated into focused action, enabling meaningful progress across ECFH with clarity, discipline, and intent.**

# Management Teams

## Senior Management



**AYANNA CAESAR**  
Senior Manager  
Risk Management &  
Compliance Services



**BEVERLY HENRY**  
Senior Manager  
Corporate Banking



**SHAIIEDE KALLICHARAN**  
General Manager  
BOSL Fund Management  
Company Limited



**KENDEL WARNER**  
Senior Manager  
Human Resource Management,  
Training & Development



**GENEVIEVE DOWNES**  
Senior Manager  
Marketing & Corporate  
Communications



**JANICE SERIEUX**  
Senior Manager  
Finance



**MANSLEY JULIUS**  
Senior Manager  
Credit Risk



**MARCIA GEORGE**  
Senior Manager  
Credit Administration



**MELISSA SIMON**  
Senior Manager  
Internal Audit



**SHERMAIN GEORGE**  
Senior Manager  
Operations



**TADDEUS PIERROT**  
Senior Manager  
Information Management &  
Technology Services



**TARBULA AIMABLE - AMEDEE**  
Senior Manager  
Cards Services



**MONETTE JOHNY-LABANARD**  
Senior Manager  
Retail Banking

**Operational focus, collaboration, and commitment helped sustain ECFH's forward movement and strengthened the delivery of purposeful results.**

# Management Discussion and Analysis



“  
**Clear and steady leadership helped advance ECFH’s strategic priorities with confidence, purpose, and meaningful momentum.**  
”

Rolf Phillips

In 2025, East Caribbean Financial Holding Company Limited recorded another year of meaningful progress, driven primarily by the continued advancement of Bank of Saint Lucia Limited, the Group's principal subsidiary. This was a year defined by disciplined execution, strengthening of the loan portfolio, operational modernization, and sustained investment in the systems and capabilities required to support the next phase of growth.

The theme **Momentum with Meaning** reflects the character of the year's performance. The Group delivered strong financial results, including growth in total assets, customer deposits, and lending activity, alongside improved asset quality and continued capital strength.

## Key Achievements

The Bank achieved several important strategic milestones during the year, reinforcing our commitment to innovation, resilience, and customer-centric service delivery.

We unveiled the Bank of Saint Lucia story, fostering a renewed sense of pride and purpose through a deeper appreciation of our journey. This initiative reaffirmed that our founding purpose remains relevant today, and that the challenges we have faced have helped shape the resilient financial institution we are now.

The Bank recorded a non-performing loan (NPL) ratio of 4.8%, representing the first time in 19 years that the institution has achieved compliance with the prudential benchmark of 5%. This milestone reflects the sustained efforts to strengthen credit risk management, loan recovery strategies, and overall portfolio quality, and marks a significant achievement for the Bank.

Additionally, the Bank, on a standalone basis, emerged from an accumulated deficit position for the first time in 13 years, signaling improved financial performance and strengthened capital resilience. This development underscores the Bank's progress toward long-term financial sustainability and enhanced shareholder value.

A major technological milestone was the successful launch of the Salesforce Loan Origination System and full Financial Cloud platform. This customer relationship management platform is expected to significantly enhance customer service delivery,

improve customer experience and personalization, strengthen regulatory compliance and risk management, and deliver more robust data analytics and reporting capabilities.

We also commenced a broader Digital Transformation Program, now in its early stages of implementation. This program will incorporate artificial intelligence to improve operational efficiency, streamline internal processes, and deliver a more seamless and intuitive customer experience.

In support of continuous service availability and operational reliability, we implemented several key infrastructure enhancements across our ATM and payments network. These include:

- Implementation of ATM stand-in functionality, ensuring that ATMs and POS devices remain fully operational during day-end processing, eliminating previous transaction disruptions.
- Completion of contactless certification for our ATM network, enabling customers to perform faster and more convenient transactions using contactless cards.
- Deployment of an ATM Monitoring Platform, providing real-time visibility into ATM performance, cash levels, and operational status. This enables proactive issue resolution, minimizes downtime, and improves service reliability.
- Upgrade of the Smart Deposit Template, resulting in a notable reduction in ATM deposit errors and improved processing accuracy across branches.

In the first quarter of 2026, we continued to expand our digital payments ecosystem with the successful launch of innovative customer-focused solutions. These include the introduction of the “My Freedom Card” prepaid VISA debit card, the first prepaid card in the Saint Lucian market, which has seen strong customer adoption and provides a smarter, more accessible way to manage everyday financial transactions.

Additionally, we launched Tap to Phone in the first quarter of 2026, a modern payment solution powered by VISA that enables merchants to use their mobile phones as point-of-sale devices. This innovation is particularly beneficial for small business owners and entrepreneurs, offering a secure, cashless payment experience, reducing the need for cash handling, and supporting increased sales opportunities.

Our subsidiary, BOSL Fund Management Company Limited (BFMC), continues to expand its footprint within the financial services sector by delivering value-focused wealth creation solutions. During the year, BGIF successfully extended its regional presence with launches in Grenada, St. Vincent, and Antigua, and continues to actively engage prospective clients across these markets.

This expansion has yielded strong performance results, with funds under management increasing by \$16.9 million (159%). The number of mutual fund clients also grew significantly by 1,044 clients (313%), reflecting successful client acquisition and product uptake.

BFMC also pursued new growth opportunities in pension fund administration and portfolio management services, further strengthening its diversified revenue base. As a result,

total funds under management increased by \$412 million (26%), underscoring continued confidence in the subsidiary’s investment offerings and regional growth strategy.

Internally, we also strengthened operational governance and cost management through the implementation of a Printing Management System, which provides centralized control and monitoring of print activities across the organization. This enhancement improves security, optimizes resource utilization, reduces operational costs, and increases visibility into printing usage and performance.

As we move into the third and final year of our strategic plan, we remain purpose-driven and focused on sustained growth, with continued investments planned in digital transformation and technology-enabled innovation to support long-term organizational success.

#### **Key HR Achievements:**

At Bank of Saint Lucia Limited (BOSL), empowering our people through a people centric approach remains central to delivering exceptional results. In 2025, we continued to invest in capability development, targeted training through our BOSL University, and rotational assignments to strengthen our talent pipeline and ensure long term business continuity through a ready and diverse workforce.

A key focus during the year was the digital transformation of our Human Resources function. This included the implementation of the SuccessFactors Human Resources Management System (Employee Central Module), which centralized employee data, improved efficiency, and enhanced HR services delivery aligned with the Bank’s broader business strategy.

Talent development and Employee Wellbeing remained integral to our people agenda. Through our BOSL CARES initiatives, we sustained a strong focus on employee wellness, while a refreshed Employee Engagement Survey resulted in significantly improved participation rates compared to the previous year.

In 2025, BOSL strengthened its employee value proposition through an enhanced recognition and rewards framework. This included the introduction of a Real Time Recognition programme to acknowledge exceptional performance at all levels, alongside the launch of the “Your Meaningful Moments” initiative to celebrate key professional and personal milestones. Together with the annual STARR Awards and Long Service Awards, these initiatives underscore BOSL’s commitment to recognizing, valuing, and engaging its people.

Overall, the Human Resources function continued to deliver an inclusive employee engagement agenda, reinforcing our ambition to develop future ready talent and support sustainable organizational performance.

## Management Discussion and Analysis

The East Caribbean Financial Holding Company Limited group (ECFH or the Group) delivered a strong financial performance for the year 2025, recording solid profitability despite earnings being moderately lower than the prior year.

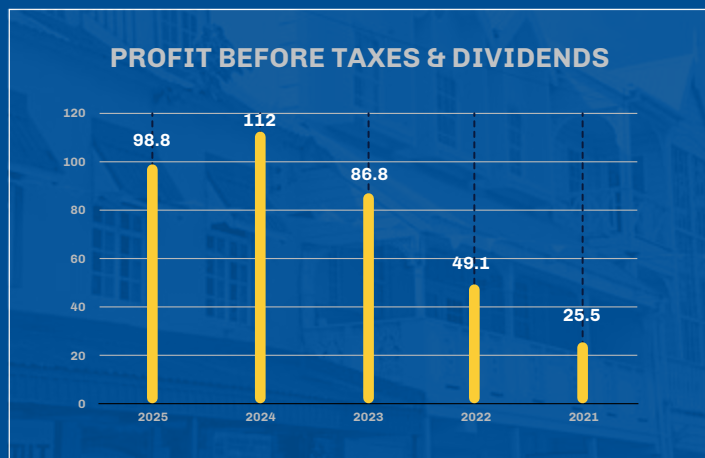
### FINANCIAL ANALYSIS

#### SUMMARY OF GROUP RESULTS

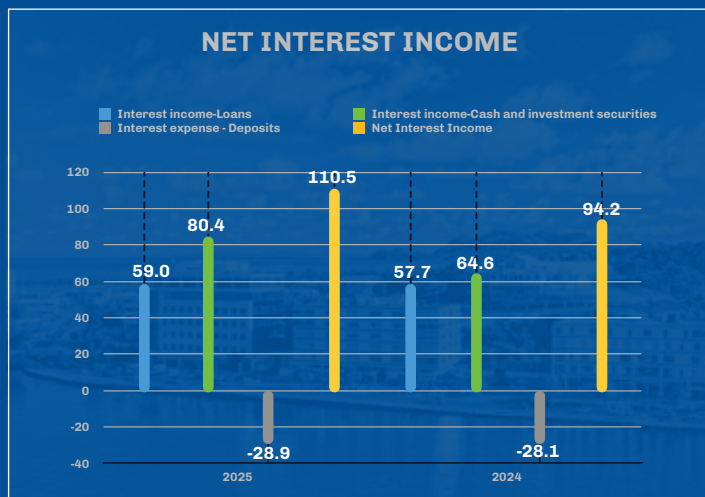
Net profit of \$95.6 million remained robust, albeit below the exceptional level of \$98.7M achieved in the previous year. The modest decline in performance was primarily influenced by movement in operating expenses, along with a reduction in fee and commission income during the period. These impacts were partially offset by lower income tax expense, reflecting the effect of changes to the tax framework affecting foreign income streams. The change was also applied retrospectively to the 2024 financial year, which necessitated the restatement of the prior year financial statements.

Overall, margin resilience and diversified income streams continue to demonstrate the Group’s underlying strength and sustainability of earnings.

The Group’s 2025 performance is underpinned by a strong balance sheet, which expanded from \$3.6 billion in 2024 to \$3.9 billion in 2025, representing growth of 8.3%. This increase was driven by continued expansion in the loan and investment portfolios alongside solid growth in customer deposits, reinforcing the Group’s financial strength and capacity to support future business opportunities.



#### Net Interest Income



Net interest income of \$110.5M increased \$16.3 million (17.3%) when compared to 2024. The increase was driven primarily by higher yields on the Group’s holding of investment securities and cash deposits as rates on the international market continues to provide strong returns. This therefore resulted in an increase of \$15.8 million in interest income from investments and bank deposits. Interest income on loans and deposits increased modestly from \$57.7 million in 2024 to \$59.0 million in 2025.

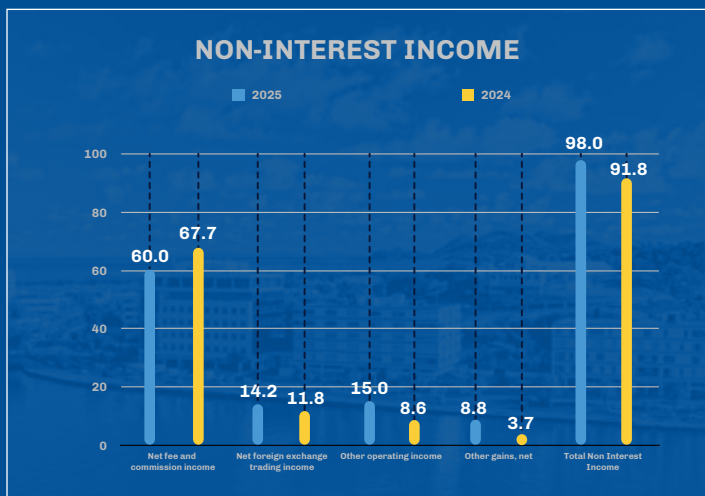
Interest expense recorded a moderate increase of \$763 thousand (2.7%), despite the significant increase in customer deposits, reflecting continued effective management of funding costs.

The strong growth in interest income from investments and bank deposits reflects the result of deliberate deployment of excess liquidity generated from growth in customer deposits into investment securities, short term certificates of deposit, and money market funds. This strategy enabled the Group to continue to capitalize on elevated market rates while maintaining adequate liquidity to meet funding requirements. The Group continues to exercise prudent management of funds, ensuring an appropriate balance between risks and returns.

**Non-interest income**

Non-interest income increased from \$91.9M to \$98.0M or 6.2% driven by increased foreign exchange fees of \$2.4M due to increases in transaction volumes and stronger euro dollar trading activity. The increase was further supported by higher recovery income of \$6.0M, arising from the recovery of certain previously written off loans. Additionally, the Group reported fair value gains of \$8.8M compared to \$3.7M in 2024, primarily from revaluation gains on investment securities. These gains were partially offset by a fair value loss of \$411k on revaluation of the Group's investment property. The improved fair value performance in 2025 was also positively impacted by prior year revaluation losses on land and buildings, which did not recur in the current year.

The above increases were partially offset by a reduction of \$7.7M in fee and commission income due to reduced account opening transaction volume conducted by customers.



**Operating Expenses**

Operating expenses increased from \$99.4 million to \$123.5 million, representing an increase of \$24.1 million, or 24.3%, compared to 2024. The increase was driven by card related expenses as well as investments in people, operations and technology.

More specifically, the movement was due to the following factors:

- Card expenses increased by \$11.2 million, reflecting a revision to the fee structure charged by the processor which resulted in the recognition of additional cost relating to the current and prior periods, as well as increased transaction volumes generated by the card business.
- Legal and professional fees rose by \$2.1 million, largely due to the engagement of external consultants and project managers to support the oversight and execution of key strategic initiatives, ensuring alignment with planned objectives and timelines.
- Staff costs increased by \$2.7 million or 6.8% due to salary adjustments and accruals to maintain market competitiveness, as well as increased expenditure on employee engagement activities introduced.
- Portfolio management fees increased by \$1.7 million primarily driven by a \$350.6 million expansion in the investment portfolio, as these fees are calculated as a percentage of assets under management. The growth in the portfolio resulted in a corresponding increase in assets managed by external asset managers. However, the impact on overall management fees was moderated by the continued management of a significant portion of the portfolio in-house. Additionally, profits of \$1.5M to be distributed to the registered retirement account holders on the improved performance of the portfolio was also recorded.
- Depreciation and amortization increased 37.6% to \$7.7 million due mainly to the reversal of depreciation expense on buildings in the prior year as the assets were revalued and revaluation gains and losses were recorded.

The Group's efficiency ratio — measured as operating expenses as a percentage of total operating income, deteriorated moving from 44.9% in 2024 to 48.21% in 2025, reflecting the faster growth in operating expenses relative to operating income.

The Group continues to focus on enhancing efficiency through the use of technology, process optimization, and disciplined cost management, with the objective of achieving a more streamlined cost structure and improved productivity over time.

## Asset Quality and Impairment losses

In 2025, the Group recorded expected credit losses of \$3.7 million when compared to a net write back of \$9.6 million in the prior year, primarily reflecting lower levels of recoveries from impaired loans relative to 2024. Additionally, expected credit losses on impaired loans increased \$1.3 million and expected credit losses on productive loans increased \$1.1 million driven by growth in the productive loan portfolio in line with IFRS 9 requirements for the recognition of expected credit losses on productive loans.

Despite the increase in impairment charges recorded in the year, the Group recorded a notable improvement in asset quality. This reflects continued management emphasis on maintaining a strong and resilient loan portfolio and proactively managing credit exposures. Total non-performing loans reduced from \$66.9 million to \$50.5 million, resulting in an improved NPL ratio of 4.8% compared to 7.0% in 2024.

Expected credit losses for investment securities remained stable at \$720k broadly in line with the prior year of \$719k.

## Share of Profits of Associates

The Group's share of profits from its associated companies, Bank of Saint Vincent and the Grenadines Limited (BOSVG) and Eastern Caribbean Amalgamated Bank Limited (ECAB), amounted to \$18.2 million, representing an increase of 11.4% over the prior year. This growth was driven primarily by the stronger performance of BOSVG, which contributed the largest share of the increase.

The Group's share of profits from BOSVG totaled \$8.4 million, reflecting a 15.4% increase year over year, supported by higher revenues, though partially offset by increased operating expenses.

Meanwhile, the share of profits from ECAB rose by \$0.753 million, or 8.2%, indicating steady improvement in its overall performance.

Overall, the positive contributions from both associated companies underscore their continued importance to the Group's earnings.

## Group Balance Sheet

At December 31, 2025, the Group reported total assets of \$3.9 billion, an increase of 8.3% over 2024's position of \$3.6 billion.

The expansion in the balance sheet was driven primarily by growth in the loan portfolio and

investment securities, reflecting a strategic focus on expanding earning assets and enhancing revenue-generating capacity.

Cash balances held with the Central Bank, other banks, and non-bank financial institutions declined, indicating a deliberate redeployment of liquidity into higher-yielding assets. Other assets reduced from decreases due to lower levels of receivables from our card processor reflecting improved settlement timelines and reduced processing delays.

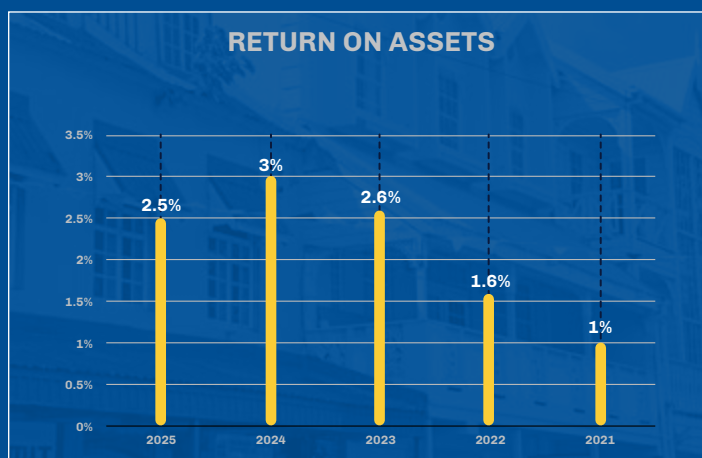
Customer deposits recorded solid growth, providing a stable and reliable funding base to support the Group's core operations and the increase in assets.

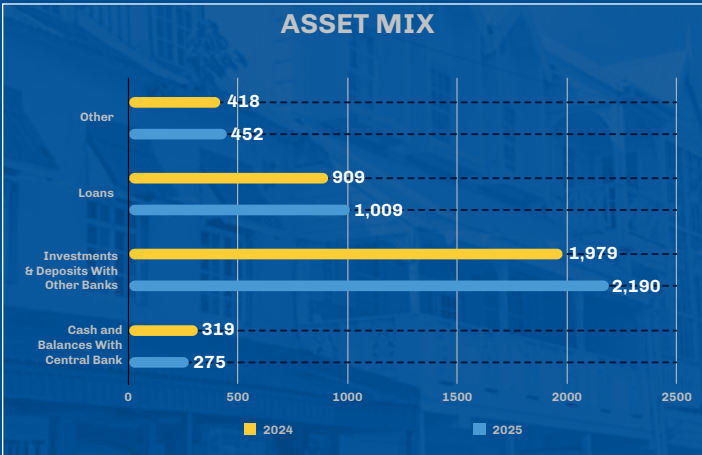
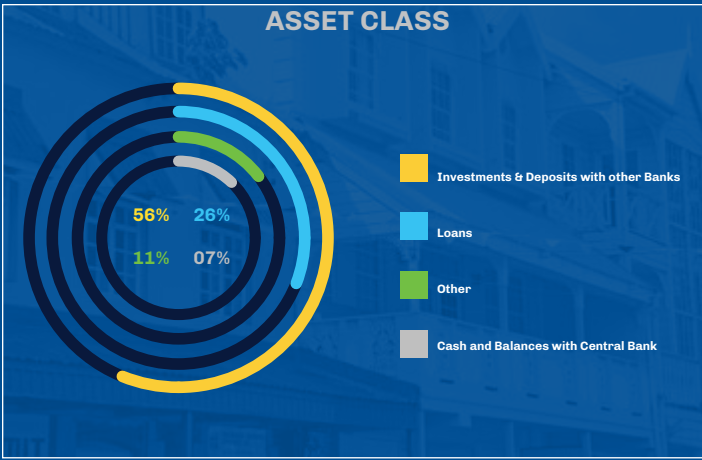
Overall, the balance sheet reflects a well-managed expansion, characterized by a shift toward more productive assets and supported by strong deposit growth.

Return on Assets (ROA) declined from 3.0% to 2.5%, reflecting the combined effect of lower net income and an increase in average assets during the year. While the expansion of the asset base is a positive indicator of growth, the reduction in earnings resulted in a modest compression in overall asset efficiency.

Return on Equity (ROE) decreased from 24.6% to 18.9%. This was driven by the decline in net income alongside an increase in shareholders' equity, as capital levels strengthened during the year. The higher capital base enhances the Group's financial resilience and capacity to support future growth, although this is also moderated by returns in the short term.

Overall, while both ROA and ROE moderately declined year over year, the movements reflect a period of balance sheet expansion and capital strengthening, positioning the Group for sustainable long-term performance.





Net loans was recorded at \$1.0 billion, marking a significant milestone as this is the first time the Group has achieved this level. The productive loan portfolio grew by \$108.4 million, or 12%, driven by targeted lending initiatives and the pursuit of strategic partnerships.

Growth was broad-based across segments, with the corporate loan portfolio increasing by \$48.0 million, while the retail portfolio expanded by \$44.2 million, reflecting continued strength in both business and consumer lending activities.

Non-performing loans (NPLs) declined by \$16.4 million or 24.5%, moving from \$66.9 million to \$50.5 million. This improvement was driven by loan recoveries, principal repayments, and proactive debt restructuring initiatives. As a result, balance sheet loan provisions reduced by \$7.6 million, from \$42.2 million to \$34.5 million.

The ratio of non-performing loans to total loans improved meaningfully, declining from 7.0% in 2024 to 4.8% in 2025. This represents a notable achievement, as the ratio is currently below the regulatory benchmark of 5.0%, signaling continued strengthening of the Group's overall credit quality and risk management practices.

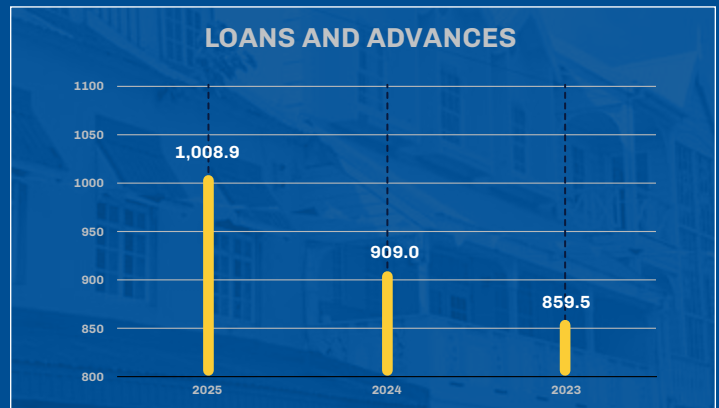
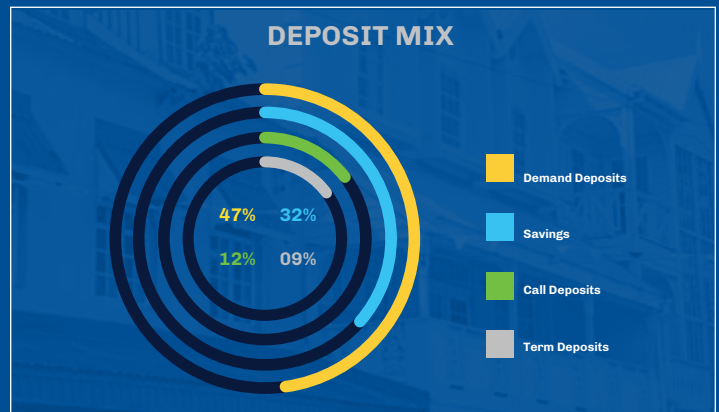
### Customer deposits and loans and advances

The Group achieved growth in both its loan portfolio and customer deposits, signaling sustained customer confidence and successful business development efforts.

Customer deposits grew significantly from \$3.0 billion to \$3.2 billion, reflecting a strong and expanding funding base. This increase was driven primarily by growth in savings and non-interest-bearing demand deposits, which recorded increases of \$101.4 million and \$241.5 million respectively, providing more liquid, low-cost funding sources. Conversely, term and call deposits declined, partially offsetting the increases in demand and savings deposits.

Overall, the growth in customer deposits, particularly in demand deposits, strengthens the Group's liquidity position and supports its ability to fund asset growth in a cost-effective manner.

Despite the increased customer deposits, liquidity declined but continues to remain strong. The loans-to-deposits ratio is comparable to 2024 at 32.44% from 32.11%. The investment portfolio remains highly liquid with approximately 40% maturing within the next three years and 47% of the portfolio falls within 0-3 years duration.



## Investment Securities

Investment securities grew significantly from \$1.3 billion to \$1.6 billion, reflecting a strategic expansion of the Group's investment portfolio. The portfolio remains well-diversified across certificates of deposit, money market funds, equities and medium to long-term fixed income instruments.

The increase in investments, particularly medium to longer term securities, was driven by a deliberate strategy to lock in favorable yields ahead of anticipated interest rate reductions by the U.S. Federal Reserve. This proactive positioning supports the stability of future income streams.

Growth in the investment portfolio was also supported by the strong increase in customer deposits, which provided additional liquidity for deployment into higher-yielding investment opportunities.

## Shareholders' Equity

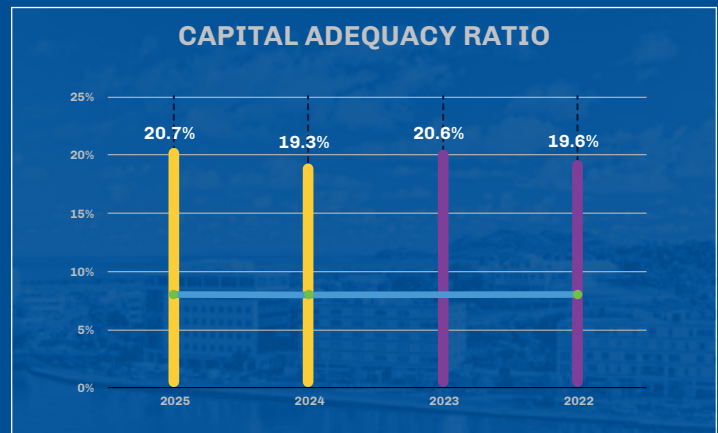
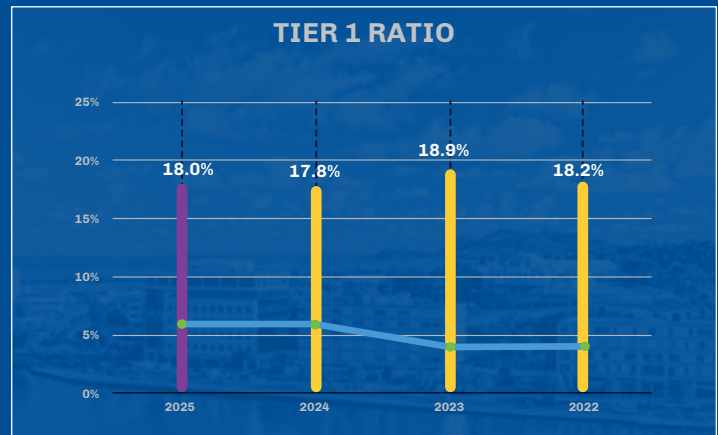
Shareholders' equity increased by \$103.1 million to \$549.6 million from \$446.5 million in the prior year. The growth in overall value of the company was driven by the net profit for the year, net re-measurement gains of \$1.1 million on the defined benefit pension plan and net fair value gains on investments held at fair value through other comprehensive income with the OCI reserve moving from a loss of \$20.6 million in 2024 to a gain of \$4.7 million in 2025 (net of retirement benefit gain of \$1.1 in 2025). These gains were partially offset by the payment of dividends during the year.

The book value of ordinary shares increased to \$22.46 in 2025 from \$18.25 in the prior year, reflecting the increased equity levels. In line with its commitment to delivering shareholder value, the Board has approved the payment of dividends to shareholders of one dollar (\$1.00) per share. This decision reflects the Group's strong capital position and confidence in its ongoing financial stability and future prospects. The payment represents an increase of 33.3% on the 75 cents paid for 2024.

Despite the growth in capital, return on average equity decreased to 18.9% in 2025 from 24.6% and earnings per share is down from \$4.03 in 2024 to \$3.86 in 2025. This impact was driven by the lower net income for the year.

The Group's financial strength and resilience, as measured by the BASEL 11/III regulatory framework, remained robust. Bank of Saint Lucia's consolidated capital adequacy ratios were maintained well above regulatory benchmarks, with

the tier 1 capital ratio of 18.0%; an improvement over the 2024 ratio of 17.8%. This was attributed to the \$47.2 million growth in tier 1 capital from the net impact of profits and other comprehensive income for the year and dividend payment relating to the 2024 financial year. Increases in risk weighted assets of \$232.8 million had a lessening effect on the capital ratio. Total capital adequacy ratio (tier 1 and tier 2) also remained strong and well above statutory requirement at 20.7%, an improvement above last year's 19.3%. The Group completed its Internal Capital Adequacy Assessment Program and the results revealed that even under stressed scenarios, the Bank remains adequately capitalized.



Looking ahead, the Group remains well-positioned to build on its solid foundation. Management will continue to focus on sustainable growth, operational efficiency, and disciplined risk management, while strategically investing in innovation and pursuing strategic opportunities that support long-term shareholder value and financial resilience.

## Strategic Plan Update

In 2025, BOSL made significant progress in advancing its three-year Strategic Plan (2024–2026), concentrating on initiatives to enhance the customer experience, strengthen operational resilience, and drive sustainable growth.

We achieved meaningful advancements across our core priorities, underscoring our commitment to innovation and delivering value to customers. These efforts reinforce our competitive position, deepen trust, and support sustainable returns for shareholders.

Building on this momentum, we pursued a set of strategic initiatives aligned with our long-term vision. The following highlights outline the areas where progress was made and where continued focus will drive future value creation.

### Enhancing the Customer Experience

- **Digital Lending Transformation**

BOSL advanced the development of a new loan origination platform leveraging Salesforce technology. This initiative streamlines the lending process, reduces turnaround times, and delivers a seamless digital experience for customers, positioning BOSL as a leader in digital lending.

- **Strengthening Brand Identity & Market Presence**

The BOSL Story initiative continued to reinforce our brand identity and values, ensuring alignment between our strategic vision and the experiences we deliver to customers and stakeholders. This effort has deepened market presence and strengthened trust in the BOSL brand.

### Strengthening Operational Resilience

- **Employee Onboarding & Cultural Integration**

Our orientation program was expanded to provide new employees with a comprehensive introduction to BOSL's culture, systems, and strategic priorities. This initiative supports workforce integration, strengthens organizational cohesion, and ensures employees are well prepared to contribute to our strategic goals.

- **Strategic Digital Transformation Roadmap**

A comprehensive digital roadmap was developed to guide BOSL's transformation into a more efficient, technology-driven bank. A gap analysis identified opportunities for digitization, automation, and the integration of artificial intelligence, providing a blueprint for innovation and operational excellence.

- **Enhanced Governance, Risk & Compliance Framework**

We advanced the implementation of a Governance, Risk and Compliance tool to streamline governance, risk management, and regulatory compliance processes. This initiative enhances transparency, strengthens oversight, and ensures resilience in a dynamic regulatory environment.

- **Payment Security & Compliance Initiative**

BOSL strengthened its commitment to safeguarding customer data by adopting the Payment Card Industry Data Security Standard (PCI DSS). Implementation is well underway, with approximately 75% of the initiative completed as of year-end 2025. Progress to date has already enhanced information security capabilities and advanced regulatory compliance. By embedding a stronger security culture, we are reducing risk exposure, protecting our brand reputation, and enabling future market expansion. Full completion of the initiative remains a priority for 2026, ensuring BOSL achieves the highest standards of payment security and compliance.

- **Cybersecurity & Information Protection**

As BOSL expands its suite of electronic services and deepens its digital banking capabilities, safeguarding information remains a strategic priority. Our dedicated Information Security Unit continues to strengthen defenses against evolving cyber threats and ensure compliance with emerging regulatory requirements. Significant investments in advanced monitoring systems, employee awareness programs, and alignment with international security standards have reinforced our ability to protect sensitive data and prevent unauthorized access.

In 2025, these efforts contributed to measurable improvements in incident response and risk mitigation, further underpinning customer trust and BOSL's

resilience in an increasingly complex digital environment. Looking ahead, we will continue to leverage artificial intelligence and predictive analytics to stay ahead of emerging threats and maintain the highest standards of information protection.

### Driving Sustainable Growth

- **Community Financial Empowerment Program**

BOSL's commitment to national development and financial empowerment continued through the Financial Awareness and Literacy Program. This initiative provided targeted education and resources to communities across the island, fostering greater financial inclusion and resilience.

### Looking Ahead

Together, these initiatives reflect BOSL's disciplined execution of its Strategic Plan and our unwavering focus on delivering value to customers, employees, communities, and shareholders. By embedding innovation into our operations, strengthening resilience across the organization, and advancing sustainable growth, BOSL is building a foundation for long-term success. As we move forward, we remain committed to deepening customer trust, expanding our market presence, and creating enduring returns that reinforce BOSL's position as a leading financial institution in the region.

## Economic Outlook

Global economic conditions remain uncertain, shaped by ongoing geopolitical tensions, trade restrictions, and volatile commodity prices. While strong technology-related investment and continued fiscal and monetary policy support have helped sustain economic activity, the conflict in the Middle East continues to pose risks through its potential impact on energy prices, inflation expectations, and global financial conditions. The International Monetary Fund (IMF) projects global growth to slow to 3.1 percent in 2026, with global inflation expected to increase to 4.4 percent. A prolonged or expanded conflict, renewed trade tensions, or weaker productivity gains could further dampen growth and disrupt financial markets.

In Latin America and the Caribbean, economic performance is expected to remain modest. Regional growth is projected at 2.3 percent in 2026, with

outcomes varying across countries depending on commodity prices, fiscal conditions, and structural reforms. The Caribbean Development Bank projects subdued growth across the Caribbean, with output expected to expand by 1.1 percent, excluding Guyana, where strong oil sector activity is driving significantly higher growth. Across most service-oriented economies, including tourism-dependent countries, moderate growth is expected, supported primarily by tourism recovery and ongoing construction activity.

Against this backdrop, the economy of Saint Lucia is expected to recover in 2026, following weaker performance in 2025. Real GDP growth is projected at approximately 2.0 percent, supported by improved tourism activity, the reopening of major hotel properties, increased airlift capacity, and continued public and private sector construction projects. Early tourism indicators point to strong momentum, with visitor arrivals exceeding pre-pandemic levels, and hotel occupancy and room rates remaining elevated.

Labour market conditions have continued to improve, with unemployment declining significantly in recent years. Inflation remained relatively contained during 2025; however, upward pressure on prices remains a key risk due to the country's heavy reliance on imported goods and exposure to global energy and freight costs. Saint Lucia's external position is expected to remain in deficit but broadly stable, supported by stronger tourism receipts and continued growth in services exports.

The domestic banking sector remains stable and well-capitalized, with strong liquidity conditions supported by continued deposit growth. Credit expansion has remained positive but moderate, with household lending increasing gradually while business lending remains relatively subdued. Non-performing loans continue to present a challenge, and financial institutions remain focused on strengthening credit risk management and provisioning practices.

Overall, risks to the economic outlook remain tilted to the downside. External risks include heightened geopolitical tensions, global economic uncertainty, rising energy prices, and potential disruptions to tourism demand. Domestically, slower growth in tourism or construction activity, rising import costs, and exposure to natural disasters continue to represent key vulnerabilities for the economy.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Bank recognises that a robust Enterprise Risk Management (ERM) framework is the cornerstone of achieving strategic objectives, safeguarding stakeholder interests, and ensuring long-term sustainability. In 2025, our commitment to a mature risk management culture was demonstrated through our ability to navigate a complex global landscape through a cautious risk appetite, prioritising capital preservation and depositor protection while enabling moderate digital growth and innovation.

### Financial Strength & Risk Capacity

Our robust capital position serves as the foundation of our Internal Capital Adequacy Assessment Process (ICAAP), providing a superior cushion to absorb “extreme but plausible” macroeconomic and climate-related shocks.

- **Tier 1 Capital:** \$472.9 million (an 11% increase from \$425.7 million in 2024).
- **Total Capital Adequacy Ratio:** 20.7%, significantly exceeding ECCB regulatory requirements.
- **Asset Quality:** The NPL Ratio fell to 4.8% (from 7.0% in 2024), marking a multi-year low and moving below the regulatory maximum of 5%.
- **Loans-to-Deposits Ratio:** 32.44%, minimal increase from 32.1%.

### 2025 Strategic Risk Trends

- **Geopolitical & Market Resiliency:** To mitigate global inflationary pressures and investment volatility, the Bank employed a dynamic asset-reallocation and duration-extension strategy. This proactive de-risking protected our income and safeguarded the investment portfolio against sudden market corrections.
- **Cyber-Defense:** Addressing the rise in regional smishing campaigns, we further strengthened the information security posture of our digital systems, heightened transaction monitoring parameters to detect credential compromise and launched aggressive customer awareness initiatives to protect digital identities.

- **AI Governance:** Artificial Intelligence is becoming a core strategic tool within our digital transformation journey. In recognition of this, we developed an AI Governance Standard to ensure that AI-driven insights remain ethical, transparent, and auditable.
- **Third-Party Risk Management:** With increased reliance on third party vendors, we enhanced our ongoing due diligence procedures and performance monitoring for core vendors. This ensures high availability and rigorous data protection across all strategic initiatives.

### ERM as a Strategic Enabler

As the Bank advances on its Digital Transformation Journey, the Risk Management function continues to evolve to move in line with the speed of digital innovation.

- **Digital GRC Transformation:** We successfully migrated to a fully digital Governance, Risk, and Compliance (GRC) platform. This solution integrates enterprise risk management, including IT and Third-Party Risk, into a single solution, allowing for real-time risk assessments that align with rapid digital product development cycles.
- **Regulatory Excellence:** We maintained a proactive stance toward ECCB standards, continuously updating policies in alignment with regional regulatory evolution.

As we move forward, our focus remains on disciplined growth, operational excellence, prudent risk management, and building a resilient, customer-focused, future-ready institution committed to sustained earnings performance.

The Bank will continue to leverage AI-driven risk insights and its superior financial strength to convert emerging threats into strategic opportunities.

I extend sincere appreciation to the Board for its guidance, confidence, and strategic oversight. I also recognize our leadership team, management, and staff for their dedication, professionalism, and commitment throughout the year. Their collective effort continues to strengthen the Bank’s performance and capacity to serve.

To our customers, shareholders, regulators, and partners, thank you for your continued trust and support. We look ahead with confidence, clarity, and resolve.

# Momentum for Developers. Meant for Growth.

Launched in 2025, Elite Builders Capital gave developers, investors, entrepreneurs, and high-net-worth clients access to preferred commercial mortgage terms for major projects. Its success reflects the Bank's commitment to financing development, expansion, and long-term economic growth.



**Elite Builders Capital**

*"Build Greater Wealth and a Lasting Legacy"*

# Our BOSL Story

## A Story of Momentum, Built with Meaning

The BOSL Story is the story of a bank born from banks, rising from the foundations of the National Commercial Bank and the Saint Lucia Development Bank into the historic 2001 merger that created Bank of Saint Lucia, now recognized as the largest bank in the OECS.

Through a three-part documentary series and a powerful collection of testimonials, the project honoured the pioneers who laid the foundation, traced the resilience of the institution through periods of challenge and change, and recognized the teams, past and present, whose service, belief and commitment have carried the Bank forward.

The Story was shared in four defining moments: first with shareholders, then with staff at the STAAR Awards, followed by a special premiere at Caribbean Cinemas, and finally with the wider public across Saint Lucia, the region and the world.

Together, these moments celebrated the Bank's origins, affirmed its enduring impact on lives and communities, recognized the people behind its progress, and looked ahead with confidence to a positive and purposeful future.







**Shaidee Kallicharan**  
General Manager

A handwritten signature in black ink, appearing to read 'Shaidee Kallicharan', is positioned below the name and title.



BOSL Fund Management Company Limited continued to advance its mandate in 2025, with the year representing a period of meaningful growth, disciplined execution, and deeper market engagement. Having moved more fully from establishment into active fund management, the Company focused on strengthening its investment platform, broadening investor participation, and delivering professionally managed access to local, regional, and international investment opportunities.

The BOSL Global Investment Fund Limited recorded strong progress during the year. Overall net return for 2025 was 12.03 percent, with the Growth Fund returning 18.83 percent, the Balanced Fund 6.39 percent, and the Income Fund 2.19 percent. Net assets attributable to holders of redeemable shares increased from US\$3.913 million to US\$10.187 million, while financial assets at fair value through profit or loss grew from US\$3.084 million to US\$8.352 million. Units in issue also increased from 3,764,633 to 8,731,371. These results reflect market performance, growing investor confidence, and the continued strengthening of the Fund's operating platform.

Operationally, the year was defined by disciplined portfolio execution, active management of subscriptions and redemptions, careful liquidity oversight, and close attention to asset allocation across cash, fixed income, equities, and exchange traded funds. Total purchases amounted to US\$4.489 million, with the Growth Fund accounting for the largest share of new deployment, followed by the Income Fund and the Balanced Fund. Proceeds from redeemable shares issued reached US\$5.510 million, compared with US\$682,000 in the prior year, reflecting stronger participation across both retail and institutional investors.

The three fund structure remains one of the Fund's key strengths, allowing investors with differing objectives, horizons, and risk appetites to participate through a professionally managed vehicle. The Company remains committed to prudent stewardship, investment education, and the responsible pursuit of long term value, while continuing to demystify investments and support financial freedom and wealth creation across the region.

Bank of Saint Lucia Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated as at Dec 31, 2024
	\$	\$
<b>Assets</b>		
Cash and balances with Central Bank (note 5)	275,040	318,586
Deposits with other banks (note 6)	550,953	654,409
Deposits with non-bank financial institutions (note 7)	32,607	68,998
Investment securities (note 11)	1,607,406	1,256,833
Due from related parties (note 12)	52,102	62,254
Loans and advances to customers (note 8)	1,008,869	909,020
Property and equipment (note 13)	72,688	72,298
Intangible assets (note 14)	7,958	1,120
Right-of-use lease asset (note 15)	2,009	485
Other assets (note 16)	193,660	206,101
Income tax recoverable	21,807	–
Investment in associate (note 17)	57,273	48,524
Investment properties (note 18)	31,088	31,463
Retirement benefit asset (note 19)	17,007	14,242
<b>Total assets</b>	<b>3,930,467</b>	<b>3,644,333</b>
<b>Liabilities</b>		
Deposits from banks (note 21)	16,561	17,025
Due to customers (note 22)	3,219,381	2,965,115
Lease liability (note 15)	2,067	589
Income tax payable	–	1,245
Deferred tax liability (note 20)	2,272	3,397
Due to related parties (note 12)	212	212
Dividends payable	581	581
Preference shares (note 23)	4,150	4,150
Other liabilities (note 24)	134,142	189,057
<b>Total liabilities</b>	<b>3,379,366</b>	<b>3,181,371</b>

Bank of Saint Lucia Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION ...continued**

As at December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025 \$	Restated as at Dec 31, 2024 \$
<b>Equity</b>		
Share capital (note 25)	265,103	265,103
Reserves (note 26)	219,173	193,889
Revaluation reserve	29,145	29,145
OCI reserve	2,426	(24,744)
Retained earnings/(Accumulated deficit)	35,254	(431)
<b>Total equity</b>	<b>551,101</b>	<b>462,962</b>
<b>Total liabilities and equity</b>	<b>3,930,467</b>	<b>3,644,333</b>

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Directors on March 25, 2026

Handwritten signature of a director in black ink.

\_\_\_\_\_  
Director

Handwritten signature of a director in black ink.

\_\_\_\_\_  
Director

Bank of Saint Lucia Limited

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025 \$	Restated 2024 \$
<b>Interest income</b> (note 28)	139,410	122,321
<b>Interest expense</b> (note 28)	(28,885)	(28,122)
<b>Net interest income</b>	110,525	94,199
<b>Fee and commission income</b> (note 29)	60,022	67,683
<b>Dividend income</b> (note 30)	1,054	775
<b>Net foreign exchange trading income</b> (note 31)	14,212	11,829
<b>Other income</b> (note 32)	13,924	7,864
<b>Share of profit of associate</b> (note 17)	9,885	9,132
<b>Other gains, net</b> (note 33)	8,758	3,742
<b>Impairment (losses)/recovery on loans and advances</b> (note 9)	(3,717)	9,637
<b>Impairment losses on investment securities</b> (note 10)	(720)	(719)
<b>Operating expenses</b> (note 34)	(123,512)	(99,366)
<b>Profit before income tax and dividends on preference shares</b>	90,431	104,776
<b>Dividends on preference shares</b> (note 23)	(291)	(291)
<b>Income tax expense</b> (note 36)	(2,843)	(12,975)
<b>Profit for the year after taxation</b>	87,297	91,510
<b>Attributable to:</b>		
<b>Equity holders of the parent (ordinary)</b>	85,959	91,462
<b>Holders of redeemable shares (liability)</b>	1,338	48

The accompanying notes form an integral part of these consolidated financial statements.

Bank of Saint Lucia Limited

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025 \$	Restated 2024 \$
<b>Profit for the year after taxation</b>	<b>87,297</b>	<b>91,510</b>
<b>Other comprehensive income/(loss)</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net gain on revaluation of FVOCI instruments	22,235	897
Realized gain transferred to profit or loss	3,652	2,802
	<b>25,887</b>	<b>3,699</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Share of fair value gain on assets of associated company carried at fair value (note 17)	181	482
	<b>26,068</b>	<b>4,181</b>
Fair value gain on revaluation of land and buildings	–	2,717
	<b>26,068</b>	<b>6,898</b>
Re-measurement gain/(loss) on defined benefit pension scheme (note 19)	1,574	(1,208)
Income tax effect (note 20)	(472)	362
Net re-measurement gain/(loss)	1,102	(846)
	<b>27,170</b>	<b>6,052</b>
<b>Total comprehensive income for the year (net of tax)</b>	<b>114,467</b>	<b>97,562</b>
<b>Equity holders of the parent (ordinary)</b>	<b>113,129</b>	<b>97,514</b>
<b>Holders of redeemable shares (liability)</b>	<b>1,338</b>	<b>48</b>

The accompanying notes form an integral part of these consolidated financial statements.

# Financial Reporting Responsibilities

The management of the East Caribbean Financial Holding Company Limited is responsible for the preparation and fair presentation of the financial statements and other financial information contained within this Annual Report. The accompanying financial statements were prepared in accordance with IFRS Accounting Standards. Where amounts had to be based on estimates and judgments, these represent the best estimates and judgments of Management. In discharging its responsibility for the integrity and fairness of the financial statements, and for the accounting systems from which they were derived, Management has developed and maintains a system of accounting and reporting which provides the necessary internal controls that ensure transactions are properly authorized, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

This is supported by written policies and procedures; quality standards in recruiting and training employees; and an established organizational structure that permits accountability for performance within appropriate and well-defined areas of responsibility. An Audit Unit that conducts periodic audits of all aspects of the Group's operations further supports the system of internal controls

The Board of Directors oversees Management's responsibility for financial reporting through the Audit Committee, which comprises only Directors who are neither officers nor staff of the Bank. The primary responsibility of the Audit Committee is to review the Group's internal control procedures including any planned revision of those procedures, and to advise Directors on auditing matters and financial reporting issues. The Group's Head of Internal Audit has full and unrestricted access to the Audit Committee.

The Eastern Caribbean Central Bank conducts examinations and makes inquiries into the affairs of the Group as deemed necessary to ensure that the provision of the Banking Act relating to safety of depositors' funds and shareholders' equity is being observed and that the Group is in a sound financial condition.

PriceWaterhouseCoopers appointed as Auditor by the shareholders of the Group, have examined the financial statements and their report follows. The shareholders' auditor has full and unrestricted access to the Audit Committee to discuss their audit and related findings as to the integrity of the Group's financial reporting and adequacy of the systems of internal control.



**Rolf Phillips**  
Managing Director



**Ketha Auguste**  
Chief Financial Officer

# Corporate Social Responsibility



# 2025 CSR Review

## Investing in Youth and Sports

Throughout 2025, Bank of Saint Lucia continued to invest in youth development through strategic partnerships in athletics, football, and cricket. The Bank strengthened opportunities for young athletes by supporting school sports, national championships, and community sporting programmes across the island. A major highlight was the appointment of Naomi London as BOSL's first Junior Sports Brand Ambassador, reinforcing the Bank's commitment to nurturing emerging talent and inspiring the next generation of Saint Lucians. BOSL also maintained its longstanding support of the LUCELEC–BOSL Castries Youth Football League, the Saint Lucia Premier League T20 Tournament, and the National Age Group Championships in partnership with the Saint Lucia Athletics Association.



**Naomi London, Official Ambassador - picture above**



**Future champions are built through opportunity, discipline, determination, and the unwavering support of BOSL.**



**Youth Football League**

## Supporting Community and Culture

BOSL remained deeply connected to the cultural and social heartbeat of Saint Lucia through meaningful partnerships and national events. The Bank served as Ultra Premium Partner of The GIMIES and continued its longstanding support of the Saint Lucia Jazz & Arts Festival as Presenting Sponsor of the Main Stage. BOSL also extended its support to community jazz events including Soufriere Jazz, Mon Repos Jazz, and Monchy Jazz, ensuring wider community access to the arts and cultural expression.

During Lucian Carnival 2025, BOSL played a leading role as Platinum Sponsor, supporting major events, creatives, promoters, and entrepreneurs who contribute to one of the island's most significant cultural and economic seasons. The Bank's cultural presence was further elevated through the success of Miss Bank of Saint Lucia, Emerle Tisson, who captured the National Carnival Queen title along with multiple awards.



**Good vibes, unforgettable moments, and experiences made even better with BOSL.**



**Where music, culture, and premium experiences come together! As proud Presenting Sponsors, BOSL remains committed to supporting experiences that celebrate the richness of our culture while creating unforgettable memories.**



**Bank of Saint Lucia is proud to stand as an Ultra Premium Partner of The GIMIES, celebrating excellence, creativity, and the outstanding achievements shaping Saint Lucia's creative landscape.**



**Elegance, confidence, and undeniable presence! Miss Bank of Saint Lucia 2025 & Miss Saint Lucia 2025 Emerle Tisson, continues to captivate as she proudly represents BOSL with grace, beauty, and poise.**

## Giving Back to Communities

BOSL continued to strengthen its grassroots impact through school outreach and community initiatives that brought meaningful support and joy to families across Saint Lucia. The Bank hosted Christmas celebrations at several schools and communities alongside Junior Ambassador Naomi London, while also donating Smart Televisions to the Desruisseaux R.C. Combined School to enhance interactive learning opportunities for students.



**Creating memorable moments for our little ones is what the season is all about, and seeing these joyful smiles reminds us of the true spirit of giving.**

## Advancing Education and Financial Literacy

Education and empowerment remained central to BOSL's corporate social responsibility strategy. Through sponsorship of the inaugural OECS Global Investment Summit, led by BOSL Fund Management Company Limited, the Bank helped facilitate discussions on investment opportunities, economic resilience, and regional growth. BOSL also continued to deliver financial education through its flagship radio programme, Beyond Banking, which addressed topics including digital banking, fraud prevention, debt management, investments, and entrepreneurship.

The Bank's ongoing support of entrepreneurship and small business development was recognized regionally when BOSL secured the ECCU Bank of the Year Award for Support to MSMEs for the second consecutive year.



**The OECS Global Investment Summit brought together regional and international thought leaders to explore opportunities, share insights, and strengthen the future of investment within the Caribbean and beyond.**

## Driving Growth Through Promotions

In 2025, BOSL delivered strong commercial performance through innovative and customer focused promotional campaigns. Credit card usage increased by 27% year over year, while loan disbursements surpassed campaign targets, reaching \$77.67 million across 1,450 facilities. Major campaigns including Mega Cash Holiday Promotion, Ultimate Carnival Experience, Spend Life Living, Eco Smart, and Elite Builder's Capital generated exceptional returns on investment and reinforced BOSL's strategy of integrating lifestyle, culture, and financial solutions to drive measurable growth.



**Honoured to be recognized for our commitment to supporting Micro, Small and Medium Enterprises at the 2025 awards.**

East Caribbean Financial Holding Company Limited

# Consolidated Financial Statements

December 31, 2025

(expressed in thousands of Eastern Caribbean dollars)



# Independent auditors' report

To the Shareholders of East Caribbean Financial Holding Company Limited

## Report on the audit of the consolidated financial statements

---

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of East Caribbean Financial Holding Company Limited (the Company) and its subsidiary (together 'the Group') as at December 31, 2025, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2025;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

PricewaterhouseCoopers East Caribbean, Unit 111  
Johnsons Centre, No. 2 Bella Rosa Road,  
P.O. Box BW 304, Gros Islet, St. Lucia, West Indies  
T: (758) 722 6700

[www.pwc.com/bb](http://www.pwc.com/bb)

A full listing of the partners of PricewaterhouseCoopers East Caribbean is available upon request.

---

## 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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

## Our audit approach

### Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the engagement team. This consisted of full scope audits on the Company and its principal subsidiary, Bank of Saint Lucia Limited, as each were considered significant due to risk or size. The audit engagement team was the auditor for both the Company and the subsidiary.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Expected credit loss ("ECL") allowance for Stage 1 and Stage 2 of loans and advances to customers - probability of default and loss given default</b></p>	
<p>Refer to notes 2(e), 4, 9 and 10 to the consolidated financial statements for disclosures of related accounting policies and balances.</p>	<p>Our approach to addressing the matter, with the assistance of our internal specialists included the following procedures amongst others:</p>
<p>As at December 31, 2025, a total of \$5.9 million of Stage 1 and 2 expected credit losses was recognised within the loan portfolio. The measurement of ECL allowances for financial assets at amortised cost is an area that requires the use of complex models and significant management assumptions.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding of the methodology and assumptions used by management and the related controls.</li> <li>• Evaluated the appropriateness of the Group's ECL model methodology in comparison to the Group's accounting policy and the requirements of the applicable accounting standards.</li> </ul>
<p>Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. Management's PD assumptions are derived from the Group's loan portfolio experience. Historical default data covering 25 years was used to calculate default rates by loan age for loans aged 1 - 24 years and for the different products based on origination year. The results per year were weighted by the number of loans originated compared to the total population considered. The PD curve is smoothed and extended to year 40 assuming a constant PD in the later years.</p>	<p><b>Probability of default</b></p> <ul style="list-style-type: none"> <li>• On a sample basis: <ul style="list-style-type: none"> <li>◦ Agreed defaulted loans to the PD calculation to test completeness of historical data.</li> <li>◦ Agreed the inputs within the PD calculation including loan type, origination date and default date to supporting documentation for a sample of loans.</li> </ul> </li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>Loss given default (LGD) is an estimate of the loss arising in instances where a default occurs at a given time. Management's LGD assumptions are derived from the Group's historical loan portfolio experience. Defaulted loans from 1999 to 2025 were assessed for their loss experience to determine an average LGD by product type. In doing so, management considered each defaulted loan's status across six recovery categories including; cured, paid in full, write-off, collateral recovery, restructured and still non-performing.</p> <p>We considered management's judgements in relation to the probability of default and loss given default a key audit matter due to the inherent subjectivity in determining these assumptions and the complexity involved in deriving the estimate.</p>	<ul style="list-style-type: none"> <li>• Performed an independent recalculation of the PDs using the historical loan portfolio data and compared the results to those calculated by management.</li> </ul> <p><b>Loss given default</b></p> <ul style="list-style-type: none"> <li>• On a sample basis: <ul style="list-style-type: none"> <li>◦ Tested the accuracy and completeness of historical data used to derive LGDs by agreeing the LGD data on the defaulted loans to the underlying supporting documentation.</li> <li>◦ Agreed inputs in the LGD calculation including loan type, recovery category, write-offs, recovery proceeds, date of transfer to non-accrual and interest rates to supporting documentation.</li> </ul> </li> <li>• Independently recalculated LGDs using the Group's portfolio data and compared the results to those calculated by management.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Credit impaired (Stage 3) loans and advances to customers</b></p> <p>Refer to notes 2(e), 4, 9 and 10 to the consolidated financial statements for disclosures of related accounting policies and balances.</p> <p>At December 31, 2025, the Lifetime ECL on Stage 3 credit impaired loans totalled \$28.6million. The assumptions used for estimating the amount of the ECL provisions for credit impaired loans involve significant judgement by management and include:</p> <p><b>Collateral Value</b> - The valuation of real estate property pledged as collateral for credit impaired loans is the most significant input to the projected cashflows of impaired loans. The collateral value depends on market trends as well as the circumstances of the specific property and involves judgement and the use of specialised skills depending on the nature of the property. Management engaged independent valuation experts to assist in determining the valuation of real estate property pledged as collateral.</p> <p><b>Forced Sale Value (FSV)</b> - An FSV haircut is applied to the collateral value. The FSV assumption takes into account the Group's historical data of foreclosed properties through comparison of the sale proceeds to the previous collateral valuation.</p> <p><b>Time to Collect (TTC)</b> - A TTC assumption is used to discount the projected future cash flows of impaired loans. The TTC assumption takes into account the Group's historical recovery data for commercial, term and mortgage loans. The TTC applied is dependent on the loan type.</p> <p>We considered this area a key audit matter due to the complexity and subjectivity of the significant inputs and assumptions used by management to determine the ECL provision.</p>	<p>Our approach to addressing the matter, included the following procedures amongst others:</p> <ul style="list-style-type: none"> <li>• Assessed the competence and objectivity of the management-appointed real estate appraisers.</li> <li>• On a sample basis, agreed the collateral values recorded by management to the valuation reports.</li> <li>• Assessed the reasonableness of the methodology used in comparison with standard property valuation practices such as the market approach and comparable sale listings for a sample of valuation reports.</li> <li>• On a sample basis: <ul style="list-style-type: none"> <li>◦ Developed a possible range of recovery values considering the age of the valuation and costs to sell.</li> <li>◦ Obtained management's calculation of the FSV and TTC assumptions and reperformed the mathematical accuracy of the calculations.</li> <li>◦ Assessed the reasonableness of management's FSV and TTC assumptions which included agreeing the default date, collateral sale date, proceeds and prior collateral value to supporting documentation.</li> </ul> </li> </ul>

---

## **Other information**

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

---

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

---

## **Auditors' responsibilities for the audit of the consolidated 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tonya Graham.

*PricewaterhouseCoopers*

Chartered Accountants

Castries, St. Lucia

March 27, 2026

East Caribbean Financial Holding Company Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated as at Dec 31, 2024
	\$	\$
<b>Assets</b>		
Cash and balances with Central Bank (note 6)	275,040	318,586
Deposits with other banks (note 7)	550,953	654,409
Deposits with non-bank financial institutions (note 8)	32,607	68,998
Investment securities (note 12)	1,606,613	1,256,041
Loans and advances to customers (note 9)	1,008,869	909,020
Investment in associates (note 13)	105,466	91,863
Property and equipment (note 14)	72,688	72,298
Intangible assets (note 15)	7,958	1,120
Investment properties (note 16)	31,088	31,463
Right-of-use lease asset (note 17)	2,009	485
Other assets (note 18)	193,665	206,105
Income tax recoverable	21,807	–
Retirement benefit asset (note 20)	17,007	14,242
	<hr/>	<hr/>
<b>Total Assets</b>	<b>3,925,770</b>	<b>3,624,630</b>
<b>Liabilities</b>		
Deposits from banks (note 21)	16,561	17,025
Due to customers (note 22)	3,216,375	2,962,109
Lease liability (note 17)	2,067	589
Deferred tax liability (note 24)	2,272	3,397
Income tax payable	–	1,245
Dividends payable	581	581
Cumulative preference shares (note 41)	4,150	4,150
Other liabilities (note 23)	134,142	189,057
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>3,376,148</b>	<b>3,178,153</b>

East Caribbean Financial Holding Company Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** ...continued

As at December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated as at Dec 31, 2024
	\$	\$
<b>Equity</b>		
Share capital (note 25)	170,081	170,081
Contributed capital (note 26)	1,118	1,118
Reserves (note 27)	234,121	208,837
Revaluation reserve	29,145	29,145
OCI reserve	5,819	(21,358)
Retained earnings	109,338	58,654
	<hr/>	<hr/>
<b>Total Equity</b>	549,622	446,477
	<hr/>	<hr/>
<b>Total Liabilities and Equity</b>	3,925,770	3,624,630
	<hr/>	<hr/>

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Directors on March 25, 2026

Director

Director

East Caribbean Financial Holding Company Limited  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	Share capital	Contributed capital	Reserves	Revaluation reserve	OCI reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2023</b>	170,081	1,118	192,969	26,428	(25,260)	(9,498)	355,838
Total comprehensive income for the year (restated)	–	–	–	2,717	3,902	98,699	105,318
Transfers to reserves (restated)	–	–	15,868	–	–	(15,868)	–
Dividends paid (note 44)	–	–	–	–	–	(14,679)	(14,679)
<b>Balance as at December 31, 2024 (restated)</b>	<b>170,081</b>	<b>1,118</b>	<b>208,837</b>	<b>29,145</b>	<b>(21,358)</b>	<b>58,654</b>	<b>446,477</b>
Total comprehensive income for the year	–	–	–	–	27,177	94,317	121,494
Transfers to reserves	–	–	25,284	–	–	(25,284)	–
Dividends paid (note 44)	–	–	–	–	–	(18,349)	(18,349)
<b>Balance as at December 31, 2025</b>	<b>170,081</b>	<b>1,118</b>	<b>234,121</b>	<b>29,145</b>	<b>5,819</b>	<b>109,338</b>	<b>549,622</b>

The accompanying notes form an integral part of these consolidated financial statements.

East Caribbean Financial Holding Company Limited  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated 2024
	\$	\$
Interest income (note 29)	139,410	122,321
Interest expense (note 29)	(28,885)	(28,122)
<b>Net interest income</b>	<b>110,525</b>	<b>94,199</b>
Other operating income (notes 30 - 33)	97,970	91,893
Impairment (losses)/recovery - loans (note 10)	(3,717)	9,637
Impairment losses - investment securities (note 11)	(720)	(719)
Operating expenses (note 34)	(123,511)	(99,368)
<b>Operating profit</b>	<b>80,547</b>	<b>95,642</b>
Share of profit of associates (note 13)	18,242	16,371
<b>Profit for the year before income tax and dividends on preference shares</b>	<b>98,789</b>	<b>112,013</b>
Dividends on preference shares (note 41)	(291)	(291)
<b>Profit for the year before income tax</b>	<b>98,498</b>	<b>111,722</b>
Income tax expense (note 36)	(2,843)	(12,975)
<b>Profit for the year after taxation</b>	<b>95,655</b>	<b>98,747</b>
<b>Attributable to:</b>		
<b>Equity holders of the company (ordinary)</b>	<b>94,317</b>	<b>98,699</b>
<b>Holders of redeemable shares (liability)</b>	<b>1,338</b>	<b>48</b>
Profit per share attributable to the equity holders of the Company during the year (note 37)		
- basic	3.86	4.03
- diluted	3.73	3.90

The accompanying notes form an integral part of these consolidated financial statements.

East Caribbean Financial Holding Company Limited

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025 \$	Restated 2024 \$
<b>Profit for the year after taxation</b>	<b>95,655</b>	<b>98,747</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net gain on revaluation of FVOCI instruments	22,235	897
Realized gains transferred to profit or loss	3,652	2,802
	<b>25,887</b>	<b>3,699</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Share of fair value gain on assets of associated companies carried at fair value (note 13)	188	1,049
	<b>26,075</b>	<b>4,748</b>
Fair value gain on revaluation of land and buildings	–	2,717
	<b>26,075</b>	<b>7,465</b>
Re-measurement gain/(loss) on defined benefit pension scheme (note 20)	1,574	(1,208)
Income tax effect (note 24)	(472)	362
Net re-measurement gain/(loss)	1,102	(846)
	<b>27,177</b>	<b>6,619</b>
<b>Total comprehensive income for the year (net of tax)</b>	<b>122,832</b>	<b>105,366</b>
<b>Equity holders of the company (ordinary)</b>	<b>121,494</b>	<b>105,318</b>
<b>Holders of redeemable shares (liability)</b>	<b>1,338</b>	<b>48</b>

The accompanying notes form an integral part of these consolidated financial statements.

East Caribbean Financial Holding Company Limited  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated 2024
	\$	\$
<b>Cash flows from operating activities</b>		
Profit for the year after taxation	95,655	98,747
Adjustments for:		
Interest income (note 29)	(139,410)	(122,321)
Depreciation and amortization (notes 14, 15 and 17)	7,653	5,562
Impairment losses/(recovery) on loans and advances (note 10)	3,717	(9,637)
Impairment losses on investment securities (note 11)	720	719
Fair value loss on revaluation of land and buildings (note 33)	–	2,710
Unrealized gain on investment securities at fair value through profit or loss (note 33)	(7,117)	(7,510)
Interest expense (note 29)	28,885	28,122
Retirement benefit expense (note 20)	1,956	2,046
Loss/(gain) on disposal of property and equipment and intangible assets	22	(36)
Fair value loss on revaluation of investment property (note 33)	411	122
Share of profits of associates (note 13)	(18,242)	(16,371)
(Gain)/loss on disposal of investment securities (note 33)	(2,052)	936
Amortized discount on investment securities (note 12)	(3,287)	(1,831)
Retirement benefit contributions (note 20)	(3,147)	(2,758)
Dividends on preference shares (note 41)	291	291
Dividend income from equity instruments (note 32)	(1,054)	(775)
Income tax expense (note 36)	2,843	12,975
<b>Cash flows before changes in operating assets and liabilities</b>	<b>(32,156)</b>	<b>(9,009)</b>
<b>Changes in:</b>		
Mandatory deposits with Eastern Caribbean Central Bank	(18,309)	(37,675)
Loans and advances to customers	(102,313)	(40,559)
Other assets	12,441	(24,038)
Due to customers	253,936	571,893
Deposits from banks	(464)	(5,404)
Other liabilities	(56,253)	9,945
<b>Cash flows generated from operating activities</b>	<b>56,882</b>	<b>465,153</b>
Income tax paid	(27,491)	(14,579)
Interest received from investment securities	55,105	35,008
Interest received on loans and advances	57,778	58,390
Interest received on bank and financial institution deposits	21,724	24,391
Interest paid on customer deposits	(28,537)	(27,247)
Interest paid on other borrowed funds	(18)	(1,282)
Dividends received from associates (note 13)	4,827	2,442
Dividends received from equity instruments	1,054	775
<b>Net cash generated from operating activities ...c/fwd</b>	<b>141,324</b>	<b>543,051</b>

East Caribbean Financial Holding Company Limited

**CONSOLIDATED STATEMENT OF CASH FLOWS** ...continued

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

	2025	Restated 2024
	\$	\$
<b>Net cash generated from operating activities ...b/fwd</b>	<b>141,324</b>	<b>543,051</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(627,878)	(538,018)
Net proceeds from disposal and redemption of investment securities	318,206	248,100
Deposits with non-bank financial institutions	4,717	(14,563)
Deposits with other banks	(15,154)	3,269
Purchase of property and equipment and intangible assets (notes 14 and 15)	(14,564)	(8,175)
Additions to investment properties (note 16)	(36)	(303)
Additions to right-of-use lease asset (note 17)	(2,009)	–
Proceeds from disposal of property and equipment and intangible assets	146	69
<b>Net cash used in investing activities</b>	<b>(336,572)</b>	<b>(309,621)</b>
<b>Cash flows from financing activities</b>		
Dividends paid (note 43)	(18,640)	(14,970)
Repayment of borrowings	–	(25,669)
Modification of lease liability	2,009	–
Principal payments on lease liability	(532)	(500)
<b>Net cash used in financing activities</b>	<b>(17,163)</b>	<b>(41,139)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(212,411)</b>	<b>192,291</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>563,511</b>	<b>371,220</b>
<b>Cash and cash equivalents at end of year (note 38)</b>	<b>351,100</b>	<b>563,511</b>

The accompanying notes form an integral part of these consolidated financial statements.

## 1 Corporate information

In October 2016 the East Caribbean Financial Holding Company Limited was amalgamated with Bank of Saint Lucia Limited and ECFH Global Investment Solutions Limited in accordance with the provisions of the Companies Act CAP 13.01, Revised Laws of Saint Lucia and continued as Bank of Saint Lucia Limited. Another company with the same name East Caribbean Financial Holding Company Limited (ECFH) was then reincorporated under the same act to hold the shares of Bank of Saint Lucia Limited, Bank of Saint Lucia International Limited and Bank of St. Vincent & the Grenadines Limited.

The principal activity of ECFH and its subsidiary, (the “Group”) is the provision of financial services. The registered office and principal place of business of the Group is located at No.1 Bridge Street, Castries, Saint Lucia.

The Group is in compliance with the Companies Act and Banking Act and the provisions of the Insurance Act, 1995.

The shareholding of the Group is stated in Note 40.

ECFH is listed on the Eastern Caribbean Securities Exchange.

## 2 Summary of material accounting policies

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

### Statement of compliance

East Caribbean Financial Holding Company Limited’s consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as at December 31, 2025 (the reporting date).

#### a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for the following material items that are measured at fair value in the consolidated statement of financial position.

- Financial assets measured at fair value through profit or loss
- Debt instruments measured at fair value through other comprehensive income
- Property and equipment - Land and Buildings
- Investment properties
- Retirement benefit asset/liability

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### Changes in accounting policies and disclosures

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and noted none which are relevant to its financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

At the date of authorization of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them and have determined that the following are relevant:

#### New and amended standards and interpretations that are not yet effective:

##### Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual periods beginning on or after January 1, 2026.

The Group is assessing the impact that the amendments will have on its financial statements.

##### Annual improvements to IFRS - Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments are effective for annual periods beginning on or after January 1, 2026.

The Group is assessing the impact that the amendments will have on its financial statements.

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### New and amended standards and interpretations that are not yet effective ...continued

#### **IFRS 18, Presentation and Disclosure in Financial Statements**

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

In April 2024, the IASB issued IFRS 18 in response to investors' concerns about comparability and transparency of entities' performance reporting. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management-defined performance measures will enhance transparency. IFRS 18 is effective from January 1, 2027 and has not yet been adopted by the Group.

The Group is in the process of determining the impact of applying IFRS 18 on these financial statements and more comprehensive disclosures cannot reasonably be provided at this time. A transition plan will be prepared and the first IFRS 18-compliant annual financial statements will be reported for the period ending December 31, 2027.

It is anticipated that the Group will conclude that it has a specified main business activity of providing financial intermediation services, primarily through lending, deposit-taking, and related financial services. It is also expected that the cash flow statement will be impacted, because interest and dividends paid or received will be classified based on the business activity to which they relate.

The Group will perform a detailed assessment to determine the appropriate classification of items to ensure that the operating profit subtotal will comply with the requirements of IFRS 18. The Group expects significant changes in this regard, especially as a result of reclassifying foreign exchange gains and losses within operating activities, as well as the reclassification of income from associates as part of a new subtotal within a new 'investing' category. Furthermore, the new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary.

The Group will perform an assessment of all non-IFRS measures that are currently being reported outside the financial information and whether or not these meet the definition of a management-defined performance measure and will require disclosure.

At each subsequent reporting period, the Group will provide an update on the progress towards transition to IFRS 18.

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### Consolidation

The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the Parent Company's - ECFH, reporting date. The consolidation principles are unchanged as against the previous year.

The consolidated financial statements of the Group comprise the financial statements of the parent entity and its subsidiary as at December 31, 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### Consolidation ...continued

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The results of the subsidiaries acquired or disposed of during the year are included in profit or loss from the effective acquisition date or up to the effective date on which control ceases, as appropriate.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between group companies have been eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The integration of the subsidiary into the consolidated financial statements is based on consistent accounting methods.

## 2 Summary of material accounting policies ...continued

### a) Basis of preparation ...continued

#### **Consolidation ...continued**

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

#### **Consolidation of Mutual Fund Subsidiary**

Mutual fund subsidiaries are consolidated when the parent holds a controlling financial interest, which may arise from holding both ordinary shares and redeemable shares. Redeemable shares held by third-party investors are classified as liabilities in the financial statements, consistent with IFRS 10 Consolidated Financial Statements and IAS 32 Financial Instruments: Presentation. Ordinary shares held by the parent are classified as equity.

The Group consolidates BOSL Global Investment Fund Limited (the Fund), in which it holds both ordinary shares and redeemable shares. The Group's control is based on its 100% holding of ordinary shares and significant holding of redeemable shares, which together provide the ability to direct the fund's activities, exposure to variable returns and the ability to use its power to affect those returns. The assets, liabilities, income and expenses of the Fund are consolidated line-by-line in these financial statements, with third-party redeemable shares presented as a liability based on the redemption features, and the Group's investment in the Fund is eliminated on consolidation. The profit attributable to holders of redeemable shares is presented separately in the consolidated statement of profit or loss.

## 2 Summary of material accounting policies ...continued

### b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associates is accounted for by the equity method of accounting and initially recognized at cost.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss. The Group's share of its associate's post-acquisition profits or losses is recognized in the consolidated statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## 2 Summary of material accounting policies ...continued

### c) Fair value measurement

The Group measures financial instruments such as investment securities and non-financial asset such as investment properties, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

Disclosures for valuation methods, significant estimates and assumptions	Notes 2, 3, 4, 14 and 16
Quantitative disclosures of fair value measurement hierarchy	Note 3
Investment properties	Note 16
Financial instruments (including those carried at amortized cost)	Note 12
Land and buildings	Note 14
Retirement benefit asset	Note 20

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of a non-financial asset considers a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling to another participant that would use the asset in its highest and best use.

The Group determines the policies and procedures for both recurring and non-recurring fair value measurement.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### d) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including: cash and non-restricted balances with the Central Bank, deposits with other banks, deposits with a non-bank financial institutions and other short-term securities.

## 2 Summary of material accounting policies ...continued

### e) Financial assets

#### **Recognition and initial measurement**

The Group initially recognizes loans and advances, deposits, debt securities on the date they are originated. Financial assets are measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### **Classification**

Under IFRS 9, financial assets are classified into one of the following measurements:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

On initial recognition, financial assets are classified by the Group as follows:

#### **Debt instruments**

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Debt instruments...continued

Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

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

#### Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The Group's business model assessment is based on the following categories:

- Held to collect: The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- Held to collect and for sale: Both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- Other business model: The business model is neither held-to-collect nor held-to-collect and for sale.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by-instrument basis, but rather at a portfolio level and based on factors such as:

- How the performance of the financial assets held within that business model are evaluated and reported to the Group's management personnel;
- The risks that affect the performance of the assets held within a business model (and, in particular, the way those risks are managed);
- How compensation is determined for the management of Group's assets (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales activity; and
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realizing cash flows through the sale of assets.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Assessment of contractual cash flows

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the solely payments of principal and interest (SPPI) test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin.

#### Debt instruments measured at amortized cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (ACL) in the consolidated statement of financial position.

#### Debt instruments measured at FVOCI

Investments in debt instruments are measured at FVOCI where they meet the following two conditions and they have not been designated at FVTPL:

- Contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognized in profit and loss. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss (ECL) approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the consolidated statement of financial position, which remains at its fair value.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Equity instruments

Equity instruments are classified into one of the following measurement categories:

- Fair value through profit or loss (FVTPL); or
- Elected at fair value through other comprehensive income (FVOCI).

#### Equity instruments measured at FVTPL

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase, with transaction costs recognized immediately in profit or loss. Subsequent to initial recognition the changes in fair value are recognized in profit or loss. Equity instruments at FVTPL are primarily assets held for trading. The Group also holds a portfolio of equity instruments that are not held for trading but the performance is required to be assessed annually for distribution to the account holders. These assets though not held for trading are measured as FVTPL.

#### Equity instruments measured at FVOCI (designated)

At initial recognition, there is an irrevocable option for the Group to classify non-trading equity instruments at FVOCI. This election is used for certain equity investments for strategic or longer-term investment purposes. This election is made on an instrument-by-instrument basis and is not available to equity instruments that are held for trading purposes.

Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to profit or loss. As such, there is no specific impairment requirement. Dividends received are recorded in profit or loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to profit or loss on sale of the security.

#### Recognition/derecognition

A financial asset is recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognized initially at fair value. All other financial assets are recognized initially at fair value plus directly attributable transaction costs.

The Group derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments as measured at amortized cost.

#### Impairment of financial assets

IFRS 9 impairment model is a forward-looking three-stage expected credit loss (ECL) approach. The expected credit loss model is applicable to the following categories of financial assets:

- Amortized cost financial assets;
- Debt instruments measured at fair value through other comprehensive income;
- Off-balance sheet loan commitments; and
- Letters of credit and guarantees.

Equity instruments are not subject to impairment under IFRS 9.

#### Expected credit loss impairment model

The three-stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The three-stage approach applied by the Group is as follows:

##### Stage 1: 12-month ECL

The Group collectively assesses ECLs on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Group recognizes as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

##### Stage 2: Lifetime ECL - not credit impaired

The Group collectively assesses ECLs on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognizes as a collective provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

#### Expected credit loss impairment model ...continued

##### Stage 3: Lifetime ECL - credit impaired

The Group identifies, both collectively and individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. If the asset is no longer credit impaired, then the calculation of the interest income reverts to the gross basis.

#### Measurement of expected credit losses (ECL)

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life and calculates the ECL as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts the Group expects to recover.
- Revolving facilities that include both a loan and an undrawn commitment: ECLs are calculated and presented together with the loan.

The inputs used to estimate the expected credit losses are as follows:

- PD - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- EAD - The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

#### Measurement of expected credit losses (ECL) ...continued

- LGD - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

#### Forward looking information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers 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 requires significant judgement.

#### Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Group assessed a broad range of forward-looking economic information as inputs. The results were applied to the probability of default as an overlay.

#### Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience and credit risk assessment. The Group considers as a backstop that significant increases in credit risk occurs when an asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-month.

Financial assets may no longer meet the definition of default (Stage 3) if the borrower no longer meets any of the criteria included in the Group's definition of default for a consecutive 12-month period and management is of the view that the fundamentals of the credit has improved to a sustainable level. In these circumstances, the loan will move from stage 3 to stage 2. The factors the Group considers in arriving at the assessment include job stability, ability to repay, debt service ratio, and security held. The Group's 12-month period is based on its regulatory requirements as well as its "reversion analysis" of cured loans returning to default.

A loan may move from stage 2 to stage one 1 if it is not outstanding for more than thirty (30) days for a consecutive three-month period.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

##### Expected life

Instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life. For certain revolving facilities such as credit cards and overdrafts, the expected life is estimated based on the period over which the Group's exposure to credit losses is not mitigated by our normal credit risk management actions.

##### Presentation of allowance for ECL

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Undrawn loan commitments generally as a provision in other liabilities; and
- Debt instruments measured at fair value through OCI: the loss allowance is recorded in OCI reserve in the consolidated statement of Financial Position and recognized in the consolidated statement of profit or loss. The loss allowance is not recorded against the gross carrying amounts of the investment securities because the carrying amount of debt investment securities at FVOCI remain their fair value.

##### Modified financial assets

During the normal course of business, financial assets may be restructured or modified or an existing financial asset replaced with a new one. When this occurs for reasons other than those which could be considered indicators of impairment, the Group assesses whether the restructured or renegotiated financial asset is significantly different from the original one by comparing the present value of the restructured cash flows discounted at the original instruments interest rate. If the restructured terms are significantly different, the Group derecognizes the original financial asset and recognizes a new one at fair value with any difference recognized in profit or loss immediately.

If the cash flows of the modified asset are not substantially different, the modification does not result in derecognition of the financial asset. The Group recalculates the gross carrying amount of the financial asset and amortizes the amount arising from adjusting the gross carrying value over the remaining life of the asset.

In assessing whether the modified terms are "substantially" different from the original terms, the following factors are considered:

- The change in the present value of the cashflows under the new terms of the loan differs from the present value of the cashflows using the original terms of loan, by at least 10%;
- Introduction of significant new terms;
- Significant change in loan's interest rate;
- Significant extension in loan's term; and
- Significant change in credit risk from inclusion of collateral or other credit enhancements.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

##### Definition of default

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganization;
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that secure the loan; and
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.

The Group considers as a backstop, that default has occurred and classifies assets as credit impaired when it is more than 90 days past due.

##### Expected Credit Losses on Revolving Credit Facilities

The Group's product offerings include corporate and retail credit cards and overdraft facilities in which the Group has the right to cancel or reduce the facilities. Overdrafts are typically for one year while credit cards have no maturity dates as such. The Group therefore calculates ECL for stage 1 and stage 2 on such facilities on the facilities limits over a period that reflects the Group's expectations of the customer's behaviour, its likelihood of default and the Group's risk mitigation procedures which include cancellations or reducing the facilities.

The inputs for ECLs for revolving credit facilities are as follows:

- Exposure at default calculated as the higher of either the outstanding balance or the approved credit limit of the facility.
- Loss rate as the percentage loss the Group will realize when the customer defaults.
- Churn rate which measures the rate at which facilities are lost per year.

##### Staging

##### Credit Cards

Similar to loans the (average) number of days past due will be used as the back stop for the staging criteria. Other features of the customer will support the staging criteria. As a general rule credit cards at least 30 days and more past due but less than 90 days in arrears will represent a significant increase in credit risk and will be classified as stage 2. Credit cards above 90 days past due are considered defaulted and would be classified as stage 3.

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

##### Overdrafts

Overdraft facilities within their credit limits with regular transactions are classified as stage 1 and overdraft facilities that were at or above their limits are included in stage 2. Stage three overdraft facilities include overdraft facilities above their credit limit with no activity for at least ninety (90) days.

##### ECL Scenario Analysis

The assessment of credit risk and estimation of ECLs are unbiased and probability-weighted and incorporate all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In the Group's ECL model, forward-looking information were taken into consideration by incorporating GDP forecasts into the model.

##### Methodology

Forecasts of economic data were derived from the International Monetary fund for 2026 to 2030. Management defines the published economic data as the base case. The model utilizes real GDP growth to capture the macroeconomic impact on the loan portfolio.

The model used simple linear regression estimated using ordinary least squares (with heteroscedasticity and autocorrelation robust standard errors) to estimate the relationship between GDP and the probability of default. The output produced an Economic Adjustment Coefficient to capture the relationship between the macroeconomic environment and credit risk.

The model incorporates an economic adjustment weight which adjusts the weighting of the economic data feeding into the model. The Economic Adjustment Coefficient as well as the positive, base and adverse scenarios were defined based on consensus with management in the context of the published economic estimates. The higher the weighting, the more intense the effect of the economic data, that is, the higher the impact that the prevailing market conditions are expected to have in the model. Each scenario was probability weighted based on management's assessment of various economic indices as well as bank surveys performed by the European Banking Association.

The model also allows for a positive and adverse scenario which directly adjusts the macroeconomic impact growth variable.

In arriving at the Group's ECL measurement, we formed three distinct scenarios based on economic forecasts from regional authorities:

- A base case which utilized the economic growth variable forecasts with no adjustment and an economic weight of 57% (2024 - 60%).
- A downside scenario which represented a 10% contraction on all forecasts with economic weight of 20.8% (2024 - 30%).
- A positive scenario which represented a 10% positive increase in all forecasts with economic weight of 22.2% (2024 - 10%).

## 2 Summary of material accounting policies ...continued

### e) Financial assets ...continued

#### Impairment of financial assets ...continued

#### ECL Scenario Analysis ...continued

##### Consensus Scenario

The Group utilized a probability weighted average of the three scenarios to arrive at its ECL. The Group anticipates that economic conditions globally will remain fairly uncertain in 2026. Internationally, we expect a K-shaped recovery and consumption patterns of the wealthier takes center stage. Fiscal expansion in major developed economies should spur some growth but the impact on inflation is uncertain, though we do expect rates to maintain their downward trajectory. Regionally, we expect continued reliance on tourism. However, we remain cautious on how geopolitical tensions in the regional and international scrutiny plays into this context.

Key downside themes include diminished excess savings in the US, higher rates on a growing consumer debt stock, stubborn inflation and worsening geopolitical tensions. On the upside, we expect global growth to remain fairly moderate, rates to ease somewhat in 2025, capital investment to accelerate and AI to power the market to more growth. Recessionary fears remained moderate with the market probability of recession sitting at over 20 percent. In our key source markets, we are pondering the trajectory of the US deficit due to election impacts as well as the impact on tourist dollar as tariffs reduce US consumer spending power.

The following table shows the key macro-economic variables for the St. Lucian economy used in the base case and downside scenario at December 31:

	GDP Growth Rate		
	2026	2027	2028
	%	%	%
Positive	12.40	11.80	11.70
Base	2.40	1.80	1.70
Adverse	-7.60	-8.20	-8.30

##### Write-offs

The write-off of a financial asset is a derecognition event. Loans and the related impairment losses are written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

## 2 Summary of material accounting policies ...continued

### f) Offsetting financial instruments

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

### g) Property and equipment

Land and buildings comprise mainly branches and offices occupied by the parent or its subsidiary. Land and buildings are shown at their fair values less subsequent depreciation for buildings.

Subsequent expenditures are included in the asset's carrying amount or are recognized 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Valuations are performed on a triennial basis. Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against other comprehensive income, all other decreases are charged to profit or loss.

Land and work-in-progress are not depreciated. Depreciation on other assets is calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	2%
Leasehold improvements	2 - 33 1/3%
Motor vehicles	20 - 25%
Office furniture & equipment	10 - 20%
Computer equipment	33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each reporting date. 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. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in profit or loss.

## 2 Summary of material accounting policies ...continued

### h) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment property comprises freehold land and building which are leased out under operating leases. Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.

Subsequent expenditure is included in the asset's carrying amount 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 costs are charged to profit or loss during the financial period in which they are incurred.

Investment property is carried at fair value, representing open market value determined annually by external professionally qualified valuers. Fair value is adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Investment property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

### i) Intangible assets

Intangible assets comprise of computer software licences. Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives. Software has a maximum expected useful life of 3 years. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

## 2 Summary of material accounting policies ...continued

### j) Impairment of other non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### k) Income tax

#### (a) Current tax

Income tax payable/(receivable) is calculated on the basis of the applicable tax law in Saint Lucia and is recognized as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income. In these circumstances, current tax is charged or credited to other comprehensive income.

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognizes those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

#### (b) Deferred tax

Deferred income tax is provided in full on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property and equipment, amortization of intangible assets and their tax base, unutilized tax losses and pension gains. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting, nor taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

## 2 Summary of material accounting policies ...continued

### l) Financial liabilities

The Group's holding in financial liabilities are at amortized cost. Financial liabilities are derecognized when extinguished.

Financial liabilities measured at amortized cost are deposits from banks or customers and debt securities in issue for which the fair value option is not applied.

### m) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is more likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

### n) Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognized in profit or loss.

### o) Employee benefits

#### Pension obligations

As at December 31, 2019, the Group contributed to a defined benefit pension scheme for all employees who were employed as at April 1, 2017. On January 1, 2020 the Defined Benefit (DB) section of the plan was closed to future benefit accruals and future benefit accruals under the Defined Contribution (DC) section of the Scheme commenced. Existing members of the DB Scheme will continue to be entitled to accrued pension benefits in the scheme for pensionable service prior to January 1, 2020.

## 2 Summary of material accounting policies ...continued

### o) Employee benefits ...continued

#### Pension obligations...continued

The defined benefit section of the plan is funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The plan is registered in Saint Lucia and is regulated by the Insurance Act, 1994 which was enacted in 1995. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognized in the consolidated statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets, are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Past service costs are recognized in the consolidated statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'operating expenses' in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The pension plan is exposed to inflation risk, interest rate risk and changes in the life expectancy for pensioners.

#### Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays a fixed contribution on a monthly basis. The Group has no legal or constructive obligations to pay further contributions if the fund has insufficient assets to pay benefits relating to employee service in current or prior periods.

#### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

## 2 Summary of material accounting policies ...continued

### p) Guarantees and letters of credit

Guarantees and letters of credit comprise undertakings by the Group's entities to pay bills of exchange drawn on customers. The Group expects most guarantees and letters of credit to be settled simultaneously with the reimbursement from the customers. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers.

The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognized. Any increase in the liability relating to guarantees is reported in profit or loss within other operating expenses.

Loan commitments are firm commitments to provide credit under the pre-specified terms and conditions. The Group recognizes loss allowance for undrawn loan commitments.

### q) Fiduciary activities

The Group commonly acts a trustee and in other fiduciary capacities that result in the holding and placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group.

### r) Share capital

Ordinary shares are classified as equity.

#### (i) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, from the proceeds.

#### (ii) Dividends on ordinary shares

Dividends on ordinary shares are recognized in equity in the period in which they are declared.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

### s) Reserves

The Group allocates reserves in accordance with the Banking Act of Saint Lucia 2015.

### t) Interest income and expense

Interest income and expense are recognized in profit or loss for all financial instruments measured at amortized cost, financial instruments designated at fair value through profit or loss and interest-bearing financial assets measured at fair value through other comprehensive income using the effective interest method.

## 2 Summary of material accounting policies ...continued

### u) Interest income and expense...continued

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. 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 recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### v) Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of a business, are recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time apportioned basis. Asset management fees related to investment funds are recognized rateably over the period the service is provided. The same principle is applied for financial planning and custody services that are continuously provided over an extended period of time.

### w) Dividend income

Dividend income is recognized when the entity's right to receive payment is established.

### x) Rental income

Rental income from operating leases is recognized on a straight-line basis over the lease term.

### y) Foreign currency translation

#### Functional and presentation currency

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

#### Transactions and balances

Foreign currency transactions that are transactions denominated, or that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

## 2 Summary of material accounting policies ...continued

### y) Foreign currency translation ...continued

#### Transactions and balances...continued

Monetary items denominated in foreign currency are translated with the closing rates as at the reporting date December 31, 2025. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition and non-monetary items carried at fair value are reported at the rate that existed when the fair values were determined.

Foreign exchange 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 recognized in profit or loss.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income, a distinction is made between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in profit or loss, and other changes in the carrying amount, except impairment, are recognized in other comprehensive income. Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as fair value through other comprehensive income, are included in the other comprehensive income.

### z) Leases

The Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

## 2 Summary of material accounting policies ...continued

### z) Leases ...continued

#### Definition of a lease

##### A Group company is the lessee

#### 1) Right-of-Use Asset

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment disclosed in note 2g. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### 2) Lease Liability

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

##### A Group company is the lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

## 2 Summary of material accounting policies ...continued

### z) Leases ...continued

A Group company is the lessor ...continued

#### *Short-term leases and Low value leases*

Short-term leases are leases with a lease term of twelve (12) months or less and containing no purchase options. A low value lease is a lease agreement where the underlying asset has a low value when new.

Instead of applying the recognition requirements of IFRS 16, a lessee may elect to account for such lease payments as an expense on a straight-line basis over the lease term or another systematic basis.

### aa) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group's Managing Director was determined to be the chief operating decision maker.

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with IFRS 8, the Group had five reportable segments: Bank of Saint Lucia Limited (BOSL), Investment Banking Services (IBS) - incorporating Capital market activities and Merchant Banking, BOSL Fund Management Company Limited, BOSL Global Investment Fund Limited and Other, which comprises EC Global Insurance Agency and the holding company of the Group.

## 3 Financial risk management

Financial instruments carried on the consolidated statement of financial position include cash resources, investment securities, loans and advances to customers, deposits with other banks and non-bank financial institutions, deposits from banks and due to customers. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

### a) Strategy in using financial instruments

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risks is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

### 3 Financial risk management ...continued

#### a) Strategy in using financial instruments ...continued

The Board of Directors ensures a strong quality of risk management and risk management processes, to ensure the safety and stability of the Group. In ensuring the overall responsibility for the soundness of the Group, it has appointed a Risk Management Committee. The purpose of the Board's Risk Management Committee is to assist the Board to oversee the risk profile and approve the risk management framework of the Group, within the context of its risk appetite and determined strategy. The Risk Management Committee relies on the efforts of the Risk Management and Compliance Services department, which coordinates the implementation of the Board approved Risk Management Framework. This department provides timely reports to the Board Committee, analytical support and guidance to the executive management in formulating risk management strategies and making functional risk decisions, supports management and business units in implementing the approved Risk Management Policies and processes, and ensures that they are integrated into the business operations and with Internal Control and compliance processes.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

#### b) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, or market counterparties fail to fulfill their contractual obligations to the Group. Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments. Credit risk can also arise from credit enhancement provided, such as credit financial guarantees, letters of credit, endorsements and acceptances.

The Group is also exposed to other credit risks arising from balances with central bank, deposits with other banks and non-bank financial institutions, other assets and investments in debt securities.

##### Loans and advances to customers

Impairment provisions are provided for losses based on an expected credit loss model using counterparty probabilities of default across the various loan categories. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk in a defined and calculated manner through regular analysis of the ability of its borrowers to meet repayment obligations and taking collateral as securities on advances.

### 3 Financial risk management ...continued

#### b) Credit risk ...continued

##### Debt securities

For debt securities, external rating provided by the rating agencies Standard & Poor's (S&P) or Moody's and Fitch Group, along with that of CariCRIS based in Trinidad are used by the Group for managing the credit risk exposures. The investments in debt securities rated by such entities as Investment Grade, are viewed as a way to gain additional wealth for the Group, whilst effectively managing the associated risks, they are therefore a better credit quality mapping and maintain a readily available source to meet the funding requirements at the same time.

##### Cash and balances with banks

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's Board approved policy. Counterparty credit limits are reviewed by the Group's Risk Department on an annual basis and may be updated throughout the year subject to approval of the Group's Investment Committee and where necessary, the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

##### Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified - in particular, to individual counterparties and groups, and to industries and countries.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to the industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary by the Board of Directors.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

### 3 Financial risk management ...continued

#### b) Credit risk ...continued

##### Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

The Group's credit risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Group's credit exposure.

Longer-term finance and lending to corporate entities are secured; individual credit facilities are also generally secured. In addition, in order to minimize the credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities are generally unsecured.

##### Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit - which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

### 3 Financial risk management ...continued

#### b) Credit risk ...continued

##### Impairment and provisioning policies

The internal rating systems focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes using a three-stage expected credit loss approach. Stages 1 and 2 credit losses are made for assets that are not credit impaired and stage 3 credit losses are for assets which are credit impaired.

Management determines whether objective evidence of impairment exists based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings; or
- Loan payments are outstanding for 90 days.

See accounting policy in note 2 for further details on impairment of financial assets.

(expressed in thousands of Eastern Caribbean dollars)

**3 Financial risk management ...continued****b) Credit risk ...continued**Maximum exposure to credit risk

Maximum credit risk exposures relating to the financial assets in the consolidated statement of financial position are as follows:

	<u>Maximum exposure</u>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Balances with Central Bank	225,255	275,470
Deposits with other banks	550,953	654,409
Deposits with non-bank financial institutions	32,607	68,998
Loans and advances to customers:		
Large corporate loans	318,209	259,140
Term loans	226,973	208,245
Mortgage loans	432,745	416,033
Overdrafts and credit cards	30,942	25,602
Investment securities	1,499,812	1,177,161
Other assets	188,725	201,226
	<u>3,506,221</u>	<u>3,286,284</u>

Credit risk exposures relating to financial assets off-balance sheet are as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
Loan commitments	196,534	165,754
Guarantees and letters of credit	9,492	8,423
	<u>206,026</u>	<u>174,177</u>
	<u>3,712,247</u>	<u>3,460,461</u>

The above table represents a worst-case scenario of credit risk exposure to the Group at December 31, 2025 and 2024 without taking account of any collateral held or other credit enhancements attached. For assets included on the consolidated statement of financial position, the exposures set out above are based on net carrying amounts as at the reporting date.

As shown above 27% (2024 - 26%) of the total maximum exposure is derived from loans and advances to customers and 40% (2024 - 34%) represents investments in debt securities.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025  
(expressed in thousands of Eastern Caribbean dollars)



### 3 Financial risk management ... continued

#### b) Credit risk ... continued

Loans and advances are summarized as follows:

	Loans and advances for which the loss allowance is measured at:					
	Stage 1		Stage 2		Stage 3	
	12-month ECL		Lifetime ECL		Lifetime ECL	
	2024	2025	2024	2025	2024	2025
	\$	\$	\$	\$	\$	\$
Gross	948,594	848,918	26,025	19,795	82,461	1,043,411
Less allowance for impairment on loans and advances	(5,773)	(4,164)	(163)	(639)	(37,351)	(34,542)
Net	942,821	844,754	25,862	19,156	45,110	1,008,869

Further information on the allowance for impairment losses on loans and advances to customers is provided in Notes 9 and 10.

#### Loans and advances to customers individually impaired

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Overdrafts and Credit Cards	Term Loans	Mortgage Loans	Large Corporate Loans	Total
At December 31, 2025	1,918	23,171	35,968	7,735	68,792
At December 31, 2024	2,073	21,336	33,690	25,362	82,461

**3 Financial risk management ...continued****b) Credit risk ...continued**Debt securities

The table below presents an analysis of debt securities, net of expected credit loss, by rating agency designation at December 31, 2025 and 2024, based on Standard & Poor's, Moody's, Fitch and CariCRIS ratings:

	<b>Investment Securities \$</b>
<b>At December 31, 2025</b>	
AAA- to A+	378,523
Lower than A+	454,138
BBB+ to BB+	508,850
Lower than BB+	3,325
Unrated	154,976
<b>Total</b>	<b>1,499,812</b>
<b>At December 31, 2024</b>	
AAA to A+	295,015
Lower than A+	332,546
BBB+ to BB+	401,881
Lower than BB+	3,419
Unrated	144,300
<b>Total</b>	<b>1,177,161</b>

**Concentrations of risks of financial assets with credit exposure**

The Group's balances held with other banks and non-bank financial institutions are held with reputable financial institutions, and as such, credit risk is deemed minimal.

*(a) Geographical sectors*

The Group operates primarily in Saint Lucia. Based on the country of domicile of its counterparties, exposure to credit risk is concentrated in these locations, except for investment securities which have other exposures, primarily in the United States of America.

*(b) Industry sectors*

The following table breaks down the Group's credit exposure at gross amounts without considering any collateral held or other credit support by the industry sectors of the Group's counterparties.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025  
(expressed in thousands of Eastern Caribbean dollars)



**3 Financial risk management ...continued**

**b) Credit risk ...continued**

**Concentrations of risks of financial assets with credit exposure ...continued**

	Financial institutions	Utilities & energy	Tourism	Government	Consumer cyclical & non-cyclical	Technology & communications	Personal	*Other industries	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At December 31, 2025</b>									
Balances with Central Bank	225,255	—	—	—	—	—	—	—	225,255
Deposits with other banks	550,953	—	—	—	—	—	—	—	550,953
Deposits with non-bank financial institutions	32,607	—	—	—	—	—	—	—	32,607
Loans and advances to customers net:									
Overdrafts and credit cards	9	—	126	994	1,251	—	22,691	5,871	30,942
Term loans	—	—	2,685	180	1,631	—	179,569	42,908	226,973
Large corporate loans	8,944	5,542	44,227	32,866	71,446	—	11,481	143,703	318,209
Mortgage loans	—	—	—	—	—	—	432,745	—	432,745
Investment securities	475,066	181,675	—	196,164	300,857	171,917	—	174,133	1,499,812
Other assets	175,462	—	—	809	—	—	—	12,454	188,725
	<b>1,468,296</b>	<b>187,217</b>	<b>47,038</b>	<b>231,013</b>	<b>375,185</b>	<b>171,917</b>	<b>646,486</b>	<b>379,069</b>	<b>3,506,221</b>
Guarantees and letters of credit	—	—	15	31	—	—	3,085	6,361	9,492
Loan commitments	—	1,500	1,552	93,346	3,656	—	24,400	72,080	196,534

\*Other industries include industrial, construction and land development.



### 3 Financial risk management ...continued

#### b) Credit risk ...continued

##### Concentrations of risks of financial assets with credit exposure ...continued

##### At December 31, 2024

	Financial institutions	Utilities & energy	Tourism	Government	Consumer cyclical & non-cyclical	Technology & communications	Personal	*Other industries	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balances with Central Bank	275,470	—	—	—	—	—	—	—	275,470
Deposits with other banks	654,409	—	—	—	—	—	—	—	654,409
Deposits with non-bank financial institutions	68,998	—	—	—	—	—	—	—	68,998
Loans and advances to customers net:									
Overdrafts and credit cards	8	—	247	1	924	—	18,902	5,520	25,602
Term loans	—	—	1,966	205	2,248	—	159,480	44,346	208,245
Large corporate loans	8,941	5,770	36,108	32,438	55,042	—	15,720	105,121	259,140
Mortgage loans	—	—	—	—	—	—	416,033	—	416,033
Investment securities	410,045	121,674	—	126,113	191,751	120,416	—	207,162	1,177,161
Other assets	185,293	—	—	570	—	—	—	15,363	201,226
	1,603,164	127,444	38,321	159,327	249,965	120,416	610,135	377,512	3,286,284
Guarantees and letters of credit	—	—	15	31	—	—	3,236	5,141	8,423
Loan commitments	—	1,000	1,506	96,452	3,448	—	20,175	43,173	165,754

\*Other industries include industrial, construction and land development.

### 3 Financial risk management ...continued

#### c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposure to market risks arise from its non-trading and trading portfolios. Senior management of the Group monitors and manages market risk through the Asset Liability Committee which advises on financial risks and assigns risk limits for the Group.

Non-trading portfolios primarily arise from the interest rate management of the Group's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of equity risks arising from the Group's investment securities at fair value through other comprehensive income (note 12).

#### *Sensitivity analysis*

At December 31, 2025, if prices were 10% higher/lower with all other variables held constant, the unrealized loss in equity would have been \$88 (2024 - \$80) higher/lower arising on equity investment securities held at fair value through other comprehensive income and post-tax profit/(loss) would have been \$9,081 (2024 - \$6,365) higher/lower arising on equity securities held at fair value through profit or loss.

#### d) Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Group's exposure to currency risk is minimal since most of its assets and liabilities in foreign currencies are held in United States dollars. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since 1974. Additionally, the Group seeks to match assets against liabilities denominated in other foreign currencies as a hedge for foreign currency exposure to minimize other foreign exchange risk. The following table summarizes the Group's exposure to foreign currency exchange rate risk at December 31.

**3 Financial risk management ...continued**

**d) Currency risk ...continued**

	ECD \$	USD \$	BDS \$	Euro \$	GBP \$	CAD \$	Other \$	Total \$
<b>At December 31, 2025</b>								
<b>Financial Assets</b>								
Cash and balances with Central Bank	266,816	7,308	121	324	223	248	–	275,040
Deposits with other banks	61,153	466,955	2,380	15,305	1,945	2,520	695	550,953
Deposits with non-bank financial institutions	10,259	21,628	–	687	33	–	–	32,607
Net loans and advances to customers (net)	940,232	68,637	–	–	–	–	–	1,008,869
Investment securities:								
Amortized cost	18,681	463,240	–	–	–	–	–	481,921
FVOCI	44,854	998,243	–	–	–	–	–	1,043,097
FVTPL	10,749	70,847	–	–	–	–	–	81,596
Other assets	182,543	6,182	–	–	–	–	–	188,725
<b>Total financial assets</b>	<b>1,535,287</b>	<b>2,103,040</b>	<b>2,501</b>	<b>16,316</b>	<b>2,201</b>	<b>2,768</b>	<b>695</b>	<b>3,662,808</b>
<b>Liabilities</b>								
Deposits from banks	16,561	–	–	–	–	–	–	16,561
Due to customers	2,837,540	362,784	–	16,051	–	–	–	3,216,375
Preference shares	4,150	–	–	–	–	–	–	4,150
Other liabilities	113,389	20,753	–	–	–	–	–	134,142
<b>Total financial liabilities</b>	<b>2,971,640</b>	<b>383,537</b>	<b>–</b>	<b>16,051</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,371,228</b>
<b>Net assets/(liabilities)</b>	<b>(1,436,353)</b>	<b>1,719,503</b>	<b>2,501</b>	<b>265</b>	<b>2,201</b>	<b>2,768</b>	<b>695</b>	<b>291,580</b>
<b>Guarantees and letters of credit</b>	<b>9,492</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,492</b>
<b>Loan commitments</b>	<b>170,795</b>	<b>25,739</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>196,534</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**3 Financial risk management ...continued**

**d) Currency risk ...continued**

**At December 31, 2024**

	ECD \$	USD \$	BDS \$	Euro \$	GBP \$	CAD \$	Other \$	Total \$
<b>Financial assets</b>								
Cash and balances with Central Bank	309,240	8,243	176	386	237	304	–	318,586
Deposits with other banks	31,470	597,593	1,560	20,111	1,108	1,875	692	654,409
Deposits with non-bank financial institutions	5,092	63,353	–	522	31	–	–	68,998
Net loans and advances to customers (net)	868,038	40,982	–	–	–	–	–	909,020
Investment securities:								
Amortized cost	16,803	406,398	–	–	–	–	–	423,201
FVOCI	50,193	729,899	–	–	–	–	–	780,092
FVTPL	1,100	51,648	–	–	–	–	–	52,748
Other assets	194,264	6,962	–	–	–	–	–	201,226
<b>Total financial assets</b>	<b>1,476,200</b>	<b>1,905,078</b>	<b>1,736</b>	<b>21,019</b>	<b>1,376</b>	<b>2,179</b>	<b>692</b>	<b>3,408,280</b>
<b>Liabilities</b>								
Deposits from banks	17,025	–	–	–	–	–	–	17,025
Due to customers	2,490,243	451,063	20,803	–	–	–	–	2,962,109
Preference shares	4,150	–	–	–	–	–	–	4,150
Other liabilities	187,062	1,995	–	–	–	–	–	189,057
<b>Total financial liabilities</b>	<b>2,698,480</b>	<b>453,058</b>	<b>20,803</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,172,341</b>
<b>Net assets/(liabilities)</b>	<b>(1,222,280)</b>	<b>1,452,020</b>	<b>(19,067)</b>	<b>21,019</b>	<b>1,376</b>	<b>2,179</b>	<b>692</b>	<b>235,939</b>
<b>Guarantees and letters of credit</b>	8,423	–	–	–	–	–	–	8,423
<b>Loan commitments</b>	136,081	29,673	–	–	–	–	–	165,754

### 3 Financial risk management ...continued

#### e) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both fair value and cash flows risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken.

##### *Sensitivity analysis*

Cash flow interest rate risk arises from loans and advances to customers, and due to customers. At December 31, 2025, if interest rates had been 0.5% higher/lower with all other variables held constant, post-tax profit/(loss) for the year would have been \$2,052 (2024 - \$2,305) higher/lower.

Fair value interest rate risk arises from investment securities. At December 31, 2025, if interest rates were 0.5% higher/lower with all other variables held constant, the unrealized gain/(loss) in equity would have been \$16,225 (2024 - \$11,059) higher/lower arising on investment securities held at fair value through other comprehensive income and post tax profits would have been \$102 (2024 - \$63) higher/lower arising on debt securities held at fair value through profit or loss.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**3 Financial risk management ... continued**

**e) Interest rate risk ... continued**

The table below summarizes the Group's exposure to interest rate risks. Included in the table are the Group's financial assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

**At December 31, 2025**

	Up to 1 month \$	1 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Non- interest bearing \$	Total \$
<b>Financial assets</b>							
Balances with Central Bank	–	–	–	–	–	275,040	275,040
Deposits with other banks	112,622	208,132	75,491	–	–	154,708	550,953
Deposits with non-bank financial institutions	5,102	–	19,046	–	–	8,459	32,607
Net loans and advances to customers	7,724	9,882	28,452	197,047	765,764	–	1,008,869
Investment securities:							
- Amortized cost	1,779	10,229	17,061	221,292	231,560	–	481,921
- FVOCI	10,894	20,016	128,800	469,293	383,007	–	1,012,010
- FVTPL	–	123	406	2,929	2,423	–	5,881
Other assets	–	–	–	–	–	188,725	188,725
<b>Total financial assets</b>	<b>138,121</b>	<b>248,382</b>	<b>269,256</b>	<b>890,561</b>	<b>1,382,754</b>	<b>626,932</b>	<b>3,556,006</b>
<b>Financial liabilities</b>							
Deposits from banks	–	–	10,669	–	–	5,892	16,561
Due to customers	1,300,211	75,586	209,191	48,868	75,942	1,506,577	3,216,375
Preference shares	–	–	–	–	4,150	–	4,150
Other liabilities	–	–	–	–	–	134,142	134,142
<b>Total financial liabilities</b>	<b>1,300,211</b>	<b>75,586</b>	<b>219,860</b>	<b>48,868</b>	<b>80,092</b>	<b>1,646,611</b>	<b>3,371,228</b>
<b>Total interest repricing gap</b>	<b>(1,162,090)</b>	<b>172,796</b>	<b>49,396</b>	<b>841,693</b>	<b>1,302,662</b>	<b>(1,019,679)</b>	<b>184,778</b>



### 3 Financial risk management ...continued

#### f) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Group is exposed to daily cash calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs, and guarantees. The Group does not maintain cash resources to meet all of these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

#### Liquidity risk management process

The matching and controlled mismatching of the contractual maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability but also increases the risk of losses.

The contractual maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

#### Funding approach

Sources of liquidity are regularly reviewed to maintain a wide diversification by currency, geography, provider, product and term.

**3 Financial risk management ...continued**

**f) Liquidity risk ...continued**

Non-derivative cash flows

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the consolidated statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the liquidity risk based on expected undiscounted cash inflows.

	Up to 1 month \$	1 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
<b>At December 31, 2025</b>						
<b>Financial liabilities</b>						
Deposits from banks	5,892	–	10,736	–	–	16,628
Due to customers	2,811,965	75,854	211,524	48,895	75,942	3,224,180
Preference shares	–	–	–	–	4,150	4,150
Other liabilities	19,179	–	114,963	–	–	134,142
<b>Total financial liabilities</b>	<b>2,837,036</b>	<b>75,854</b>	<b>337,223</b>	<b>48,895</b>	<b>80,092</b>	<b>3,379,100</b>
<b>Financial assets</b>						
Cash and balances with Central Bank	242,665	–	32,375	–	–	275,040
Deposits with other banks	267,176	209,726	77,484	–	–	554,386
Deposits with non-bank financial institutions	8,432	13,597	5,592	–	5,130	32,751
Investment securities:						
At amortised cost	1,780	10,271	17,423	249,395	327,037	605,906
At FVOCI	10,910	20,148	131,590	525,842	515,002	1,203,492
At FVTPL	–	125	412	3,323	3,454	7,314
Loans and advances to customers (net)	24,615	29,512	124,405	525,583	744,713	1,448,828
Other assets	177,331	191	10,801	402	–	188,725
<b>Total financial assets</b>	<b>732,909</b>	<b>283,570</b>	<b>400,082</b>	<b>1,304,545</b>	<b>1,595,336</b>	<b>4,316,442</b>
<b>Net assets/(liabilities)</b>	<b>(2,104,127)</b>	<b>207,716</b>	<b>62,859</b>	<b>1,255,650</b>	<b>1,515,244</b>	<b>937,342</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**3 Financial risk management ...continued**

**f) Liquidity risk ...continued**

	Up to 1 month \$	1 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
<b>At December 31, 2024</b>						
<b>Financial liabilities</b>						
Deposits from banks	6,337	–	10,754	–	–	17,091
Due to customers	2,544,798	83,147	228,220	45,896	61,764	2,963,825
Preference shares	–	–	–	–	4,150	4,150
Other liabilities	1,725	–	187,332	–	–	189,057
<b>Total financial liabilities</b>	<b>2,552,860</b>	<b>83,147</b>	<b>426,306</b>	<b>45,896</b>	<b>65,914</b>	<b>3,174,123</b>
<b>Financial assets</b>						
Cash and balances with Central Bank	289,748	–	28,838	–	–	318,586
Deposits with other banks	391,570	213,221	111,695	–	–	716,486
Deposits with non-bank financial institutions	7,878	29,125	28,553	–	5,130	70,686
Investment securities						
At amortised cost	3,565	5,842	66,907	271,229	146,181	493,724
At FVOCI	4,435	13,080	100,712	461,771	290,682	870,680
At FVTPL	–	120	105	1,758	2,455	4,438
Loans and advances to customers (net)	24,334	29,938	133,011	542,221	595,146	1,324,650
Other assets	186,123	126	14,622	355	–	201,226
<b>Total financial assets</b>	<b>907,653</b>	<b>291,452</b>	<b>484,443</b>	<b>1,277,334</b>	<b>1,039,594</b>	<b>4,000,476</b>
<b>Net assets/(liabilities)</b>	<b>(1,645,207)</b>	<b>208,305</b>	<b>58,137</b>	<b>1,231,438</b>	<b>973,680</b>	<b>826,353</b>

**3 Financial risk management ...continued****f) Liquidity risk ...continued**Assets held for managing liquidity risk

The Group holds a diversified portfolio of cash and investment securities to support payment obligations.

The Group's assets held for managing liquidity risk comprise cash and balances with central bank, certificates of deposit, government bonds that are readily acceptable in repurchase agreements, loans and advances to financial institutions, loans and advances to customers and other items in the course of collection.

The Group would also be able to meet unexpected net cash outflows by selling investment securities and accessing additional funding sources.

**g) Off-balance sheet items***(a) Loan commitments*

The dates of the contractual amounts of the Group's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 39) are summarized in the table below.

*(b) Financial guarantees and other financial facilities*

Financial guarantees (Note 39) are also included below based on the earliest contractual maturity date.

	<b>&lt;1 Year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>As at December 31, 2025</b>		
Loan commitments	<b>196,534</b>	<b>196,534</b>
Guarantees and letters of credit	<b>9,492</b>	<b>9,492</b>
<b>Total</b>	<b>206,026</b>	<b>206,026</b>
<b>As at December 31, 2024</b>		
Loan commitments	165,754	165,754
Guarantees and letters of credit	8,423	8,423
<b>Total</b>	<b>174,177</b>	<b>174,177</b>

### 3 Financial risk management ...continued

#### h) Fair values of financial assets and financial liabilities

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash resources, other assets and liabilities, cheques and other items in transit and due to other banks are assumed to approximate their carrying values due to their short-term nature. The fair value of off-balance sheet commitments is also assumed to approximate the amounts disclosed in Note 39 due to their short-term nature.

##### Due to customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. Deposits payable on a fixed date at rates which reflect market conditions and are assumed to have fair values which approximate carrying value.

##### Investment securities

Investment securities include securities measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. Assets classified as fair value through other comprehensive income and fair value through profit or loss are measured at fair value based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit maturity and yield characteristics, discounted cash flow models and current rates.

##### Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair values of loans and advances represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**3 Financial risk management ...continued****h) Fair values of financial assets and financial liabilities ...continued**

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's consolidated statement of financial position at their fair value.

	<u>Carrying value</u>		<u>Fair value</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
<b>Financial assets</b>				
Loans and advances to customers				
- Large corporate loans	<b>318,209</b>	259,140	<b>304,522</b>	245,407
- Term loans	<b>226,973</b>	208,245	<b>185,156</b>	168,527
- Mortgage loans	<b>432,745</b>	416,033	<b>289,058</b>	277,069
- Overdrafts and credit cards	<b>30,942</b>	25,602	<b>30,942</b>	25,602
Investment securities at amortized cost	<b>481,921</b>	423,201	<b>481,883</b>	423,213

Management assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group's interest-bearing loans are determined by using Discounted Cash Flow method using the discount rate that reflects the average rates at the end of the year.

*Fair value hierarchy*

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges such as DAX, FTSE 100 and Dow Jones.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 3 Financial risk management ...continued

#### h) Fair values of financial assets and financial liabilities ...continued

##### *Fair value hierarchy ...continued*

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

##### Determination of fair values and fair value hierarchies:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>December 31, 2025</b>				
<b>Assets measured at fair value:</b>				
Investment property	–	–	31,088	31,088
Land and buildings	–	–	51,293	51,293
<b>Total land and buildings and investment property</b>	<b>–</b>	<b>–</b>	<b>82,381</b>	<b>82,381</b>
<b>Financial assets at FVTPL</b>				
- equity securities	74,393	241	1,081	75,715
- debt securities	354	5,527	–	5,881
<b>Financial assets at FVOCI</b>				
- debt securities	38,080	930,262	43,668	1,012,010
- equity securities	28,750	–	2,336	31,086
<b>Total financial assets</b>	<b>141,577</b>	<b>936,030</b>	<b>47,085</b>	<b>1,124,692</b>

(expressed in thousands of Eastern Caribbean dollars)

**3 Financial risk management ...continued****h) Fair values of financial assets and financial liabilities ...continued***Fair value hierarchy ...continued*

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>December 31, 2024</b>				
<b>Assets measured at fair value:</b>				
Investment property	–	–	31,463	31,463
Land and buildings	–	–	50,881	50,881
<hr/>				
<b>Total land and buildings and investment property</b>	–	–	82,344	82,344
<hr/>				
<b>Financial assets at FVTPL</b>				
- equity securities	48,100	147	1,091	49,338
- debt securities	–	3,410	–	3,410
<hr/>				
<b>Financial assets at FVOCI</b>				
- debt securities	15,089	687,352	48,109	750,550
- equity securities	27,459	–	2,083	29,542
<hr/>				
<b>Total financial assets</b>	90,648	690,909	51,283	832,840
<hr/>				

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 3 Financial risk management ...continued

#### h) Fair values of financial assets and financial liabilities ...continued

*Fair value hierarchy ...continued*

Assets for which fair values are disclosed

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>December 31, 2025</b>				
Loans and advances to customers	–	–	809,678	809,678
Investment securities - Amortized cost	6,093	457,147	18,643	481,883
<b>Total financial assets</b>	<b>6,093</b>	<b>457,147</b>	<b>828,321</b>	<b>1,291,561</b>
<b>December 31, 2024</b>				
Loans and advances to customers	–	–	716,605	716,605
Investment securities - Amortized cost	8,139	398,341	16,733	423,213
<b>Total financial assets</b>	<b>8,139</b>	<b>398,341</b>	<b>733,338</b>	<b>1,139,818</b>

**3 Financial risk management ...continued****h) Fair values of financial assets and financial liabilities ...continued***Fair value hierarchy ...continued*

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily DAX, FTSE 100 and Dow Jones debt securities classified as trading securities or fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter fixed income securities) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no transfers between levels in the fair value hierarchy during the year.

The following table presents the change in level 3 instruments for the year ended December 31:

	2025			2024		
	Debt securities \$	Equity securities \$	Total \$	Debt securities \$	Equity securities \$	Total \$
At beginning of year	48,109	3,174	51,283	63,884	3,832	67,716
Additions	5,600	–	5,600			
Disposals	(10,041)	–	(10,041)	(15,671)	–	(15,671)
Unrealized gain/(loss)	–	243	243	(104)	(658)	(762)
At end of year	43,668	3,417	47,085	48,109	3,174	51,283

### 3 Financial risk management ...continued

#### i) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the consolidated statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Eastern Caribbean Central Bank (the "Authority") for supervisory purposes. The required information is filed with the Authority on a quarterly basis.

The Authority requires each bank or banking group to hold the minimum level of the regulatory capital to the risk-weighted asset (the 'Basel capital adequacy ratio') at or above the internationally agreed minimum of 8%.

The Group's regulatory capital as managed by its Treasury is divided into two tiers:

- Tier 1 capital: share capital (net of any book values of the treasury shares), minority interests arising on consolidation from interests in permanent equity, retained earnings and reserves created by appropriations of retained earnings.
- Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances, unrealized gains arising on the fair valuation of equity instruments held as fair value through other comprehensive income and fixed asset revaluation reserves (limited to 50% of Tier 1 capital).

Investments in associates are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, considering any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 3 Financial risk management ...continued

#### i) Capital management ...continued

The table below summarizes the Group's capital adequacy position in accordance with Basel standards for the years ended December 31, 2025 and 2024.

	2025	Restated 2024
	\$	\$
<b>Tier 1 capital</b>		
Share capital	170,081	170,081
Retained earnings	109,338	58,654
Reserves	234,121	208,837
Adjustments for:		
Intangible assets – software, net of tax	(6,698)	(820)
Retirement benefit asset, net of tax	(11,905)	(9,969)
Regulatory loan loss reserve	(28,048)	(22,091)
<b>Total qualifying Tier 1 capital</b>	<b>466,889</b>	<b>404,692</b>
<b>Tier 2 capital</b>		
Revaluation reserve	29,145	29,145
Redeemable preference shares	4,150	4,150
Regulatory loan loss reserve	28,048	22,091
OCI reserve	5,819	(21,358)
Adjustments for:		
Other Tier 2 deductions	(1,000)	(1,000)
Collective impairment allowance (limited to 1.25% of risk weighted assets)	7,883	7,587
<b>Total qualifying Tier 2 capital</b>	<b>74,045</b>	<b>40,615</b>
<b>Total regulatory capital</b>	<b>540,934</b>	<b>445,307</b>
<b>Risk-weighted assets:</b>		
On-balance sheet	2,624,428	2,347,347
Off-balance sheet	17,171	26,414
<b>Total risk-weighted assets</b>	<b>2,641,599</b>	<b>2,373,761</b>
<b>Basel capital adequacy ratio</b>	<b>20.48%</b>	<b>18.76%</b>

### 3 Financial risk management ...continued

#### j) Capital management ...continued

In both years, the banking subsidiary of the Group - Bank of Saint Lucia Limited, complied with all of the externally imposed capital requirements to which it is subject as follows:

	2025	Restated 2024
<b>Basel capital adequacy ratio</b>	<b>20.47%</b>	19.19%

#### j) Fiduciary activities

The Group provides investment management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these consolidated financial statements.

### 4 Critical accounting estimates, and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

#### Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in note 2.

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

- The Group's criteria for determining if there has been a significant increase in credit risk and so impairment allowances for financial assets should be measured on a LTECL basis;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs;
- Establishing the number and relative weightings of forward-looking macroeconomic scenarios for each type of product or market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

#### 4 Critical accounting estimates, and judgements in applying accounting policies ...continued

##### Measurement of the expected credit loss allowance...continued

Assumptions specific to the respective variables in the impairment model are as follows:

PD - Probability of default assumptions are calculated using the Group's loan portfolio experience. Historical default data covering 25 years was used to calculate default rates by loan age for loans aged 1-24 years and for the different products based on origination year. The results per year were weighted by the number of loans opened compared to the total population considered. The PD curve is smoothed and extended to year 40 assuming a constant PD in the later years.

LGD - Loss given default assumptions are based on the Group's historical loan portfolio experience. Defaulted loans for 15 years were assessed for their loss experience to determine an average LGD by product type. In doing so management considered each defaulted loan's status across six recovery categories including; cured, paid in full, write-off, collateral recovery, restructured and still non-performing.

Collateral value - Valuation of real estate property pledged as collateral for credit impaired loans. This is the most significant input to the projected cash flows of impaired loans. The collateral value depends on market trends as well as the circumstances of the specific property and involves judgement and the use of specialized skills depending on the nature of the property. Independent valuation experts are engaged to assist in determining the valuation of real estate property pledged as collateral.

Forced Sale Value (FSV) - A FSV haircut is applied to the collateral value. The FSV assumption considers the Group's historical data of foreclosed properties through comparison of the sale proceeds to the previous collateral valuation.

Time to Collect (TTC) - A TTC assumption is used to discount the projected future cash flows of impaired loans. The TTC assumption considers the Group's historical recovery data for commercial, term and mortgage loans. The TTC applied is dependent on the loan type.

##### Fair value of financial instruments

Financial instruments, including those within the retirement benefit asset, where recorded current market transactions or observable market data are not available at fair value using valuation techniques, fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimates of the most appropriate model assumptions. See sensitivity analysis in notes 3c and 3e for further details.

##### Revaluation of land and buildings and investment property

The Group measures its land and buildings and investment property at revalued amounts with changes in fair value being recognized in other comprehensive income and in profit or loss respectively. The Group engages independent valuation specialists to determine fair value of its land and buildings. The valuer uses judgment in the application of valuation techniques such as replacement cost, capitalization of potential rentals and the market price of comparable properties, as applicable in each case.

Valuation of land and buildings and investment property was arrived at using the income approach. A market capitalization rate was assumed for the respective properties, taking into account mortgage interest rates, increasing development costs and an adjustment for risk. If the capitalization rates were 0.05% higher/lower, post-tax profits for 2025 would be \$2,434/\$2,389 lower/higher (2024 - \$2,272/\$2,603) and other comprehensive income would be \$1,218/\$3,809 lower/higher (2024 - \$2,369/\$2,657).

#### **4 Critical accounting estimates, and judgements in applying accounting policies ...continued**

##### Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. The most sensitive assumptions used in determining the net cost (income) for pensions include the discount rate and future salary increases. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

In determining the appropriate discount rate, the Group considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Were the discount rate used to increase/(decrease) by 1% from management's estimates, the defined benefit obligation for pension benefits would be an estimated \$6,011 lower or \$8,701 higher (2024: \$6,286 lower or \$8,969 higher).

Were the estimated salary increases used to increase/(decrease) by 1% from management's estimates, the defined benefit obligation for pension benefits would be an estimated \$3,080 higher or \$2,607 lower (2024 - \$3,325 higher or \$2,815 lower).

Were life expectancy to increase by 1 year, the defined benefit obligation would be \$761 (2024 - \$751) higher.

## 5 Segment analysis

Segment reporting by the Group is prepared in accordance with IFRS 8 Operating segments.

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group's Managing Director (the chief operating decision-maker), who is responsible for allocating resources to the reportable segments and assessing their performance.

The Group's operating segments which met the definition of reportable segment under IFRS 8 are indicated below:

- Bank of Saint Lucia Limited (BOSL) - operating in Saint Lucia and provides domestic banking services.
- Investment Banking Services (IBS) - incorporating Capital market activities and Merchant Banking.
- BOSL Fund Management Company Limited (BOSL FMC) - operating in Saint Lucia and provides wealth and asset management services.
- BOSL Global Investment Fund Limited (BOSL GIF) - operates in Saint Lucia as a collective investment scheme.
- Other - comprises of the holding company of the Group and EC Global Insurance Agency.

The Group's segment operations are all financial with a majority of revenues being derived from interest. The Group's Board of Directors relies primarily on net interest income to assess the performance of the segment, therefore the total interest income and expense for all reportable segments is presented on a net basis.

The revenue from external parties reported to the Group's Board of Directors is measured in a manner consistent with that in profit or loss. Revenue from external customers is recorded as such and can be directly traced to each business segment.

The Group's management reporting is based on a measure of operating profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses and the fair value through other comprehensive income movement on investment securities.

The information provided about each segment is based on the internal reports about segment profit or loss, assets, fair value losses recorded in equity and other information, which are regularly reviewed by the Group's Board of Directors.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the consolidated statement of financial position. Transactions between business segments are eliminated on consolidation and reflected in the consolidation entries.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**5 Segment analysis ...continued**

There were no revenues derived from transactions with a single external customer that amount to 10% or more of the Group's revenue.

**At December 31, 2025**

	BOSL \$	IBS \$	BOSL FMC \$	BOSL GIF \$	Other \$	Total \$	Consolidation entries \$	Total \$
Net interest income	110,271	-	-	254	-	110,525	-	110,525
Net fee and commission income	51,880	5,883	6,886	-	1,847	66,496	(6,474)	60,022
Other income	35,034	559	-	2,348	-	37,941	(1,047)	36,894
Dividend income	880	-	-	174	24,990	26,044	(24,990)	1,054
Share of profit of associate	9,885	-	-	-	8,357	18,242	-	18,242
Impairment charge on customer loans and investment securities	(4,437)	-	-	-	-	(4,437)	-	(4,437)
Depreciation and amortization	(7,652)	(1)	-	-	-	(7,653)	-	(7,653)
Operating expenses	(118,073)	(757)	(2,525)	(601)	(591)	(122,547)	6,689	(115,858)
Profit for the year before income tax and dividends on preference shares	77,788	5,684	4,361	2,175	34,603	124,611	(25,822)	98,789
Dividends on preference shares	(291)	-	-	-	-	(291)	-	(291)
Income tax expense	(775)	(852)	(1,216)	-	-	(2,843)	-	(2,843)
Profit for the year after taxation	76,722	4,832	3,145	2,175	34,603	121,477	(25,822)	95,655
Attributable to:								
Equity holders of the Company	76,722	4,832	3,145	837	34,603	120,139	(25,822)	94,317
Holders of redeemable shares (liability)	-	-	-	1,338	-	1,338	-	1,338
Total assets	3,835,119	78,711	7,114	30,357	316,564	4,267,865	(342,095)	3,925,770
Total liabilities	3,360,837	7,774	1,032	28,857	52,108	3,450,608	(74,460)	3,376,148

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025  
(expressed in thousands of Eastern Caribbean dollars)



**5 Segment analysis ... continued**

**At December 31, 2024**

	<b>BOSL</b>	<b>IBS</b>	<b>BOSL</b>	<b>BOSL</b>	<b>BOSL</b>	<b>GIF</b>	<b>Other</b>	<b>Total</b>	<b>Consolidation</b>	<b>Total</b>
	\$	\$	FMC	FMC	GIF	\$	\$	\$	entries	\$
Net interest income	93,972	—	—	—	227	—	—	94,199	—	94,199
Net fee and commission income	60,388	5,578	4,957	—	—	1,709	—	72,632	(4,949)	67,683
Other income	23,214	381	—	—	381	—	—	23,976	(541)	23,435
Dividend income	686	—	—	—	89	—	—	22,425	(21,650)	775
Share of profit of associate	9,132	—	—	—	—	—	7,239	16,371	—	16,371
Impairment charge on customer loans and investment securities	8,918	—	—	—	—	—	—	8,918	—	8,918
Depreciation and amortization	(5,562)	—	—	—	—	—	—	(5,562)	—	(5,562)
Operating expenses	(95,392)	(723)	(1,906)	(317)	(98,963)	(625)	—	(98,963)	5,157	(93,806)
Profit for the year before income tax and dividends on preference shares	95,356	5,236	3,051	380	29,973	133,996	(21,983)	112,013		
Dividends on preference shares	(291)	—	—	—	(291)					
Income tax expense (restated)	(11,287)	(785)	(903)	—	(12,975)					
Profit for the year after taxation (restated)	83,778	4,451	2,148	380	29,973	120,730	(21,983)	98,747		
Attributable to:										
Equity holders of the Company	83,778	4,451	2,148	332	29,973	120,682	(21,983)	98,699		
Holders of redeemable shares (liability)	—	—	—	48	—	48	—	48		
Total assets	3,544,127	99,004	3,900	12,263	312,685	3,971,979	(347,349)	3,624,630		
Total liabilities (restated)	3,150,117	33,683	963	10,763	62,336	3,257,862	(79,709)	3,178,153		

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 6 Cash and balances with Central Bank

	2025	2024
	\$	\$
Cash in hand	49,785	43,116
Balances with Central Bank other than mandatory deposits	6,051	74,575
	<hr/>	<hr/>
Included in cash and cash equivalents (note 38)	55,836	117,691
Mandatory deposits with Central Bank	219,204	200,895
	<hr/>	<hr/>
	<b>275,040</b>	<b>318,586</b>

Pursuant to the Banking Act 2015, Banking institutions are required to maintain in cash and deposits with the Central Bank reserve balances in relation to the deposit liabilities of the institution.

Mandatory reserve deposits are not available for use in the Banking institutions' day-to-day operations.

The deposits with the Central Bank were all non-interest bearing for 2025 and 2024.

## 7 Deposits with other banks

	2025	2024
	\$	\$
Items in the course of collection with other banks	25,024	5,121
Placements with other banks	261,808	400,594
	<hr/>	<hr/>
Included in cash and cash equivalents (note 38)	286,832	405,715
Deposits - more than 90 days to maturity	264,121	248,694
	<hr/>	<hr/>
	<b>550,953</b>	<b>654,409</b>

The weighted average effective interest rate of interest-bearing deposits at December 31, 2025 is 4.08% (2024 - 4.62%).

(expressed in thousands of Eastern Caribbean dollars)

**8 Deposits with non-bank financial institutions**

	2025	2024
	\$	\$
Deposits - cash and cash equivalents (note 38)	8,432	40,105
Deposits - more than 90 days to maturity	24,175	28,893
	<u>32,607</u>	<u>68,998</u>

Interest rates on deposits depends on the value of deposits held. The weighted average interest rate in respect of interest-bearing deposits at December 31, 2025 was 3.19% (2024 - 4.46%).

**9 Loans and advances to customers**

	2025	2024
	\$	\$
Large corporate loans	324,205	276,171
Mortgage loans	446,063	427,686
Term loans	239,410	218,635
Overdrafts and credit cards	33,733	28,682
<b>Gross</b>	<b>1,043,411</b>	<b>951,174</b>
Less allowance for impairment losses on loans and advances (note 10)	<u>(34,542)</u>	<u>(42,154)</u>
<b>Net</b>	<b><u>1,008,869</u></b>	<b><u>909,020</u></b>

The weighted average effective interest rate on productive loans stated at amortized cost at December 31, 2025 was 5.91% (2024 - 5.92%) and productive overdrafts and credit cards stated at amortized cost was 16.82% (2024 - 18.18%).

(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers**

The tables below show the staging of advances and the related ECLs based on the Group's criteria explained in note 2.

<b>Large Corporate Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amounts at January 1, 2024</b>	197,734	2,769	79,708	280,211
Transfers:				
Transfers from stage 1 to stage 2	(649)	649	–	–
Transfers from stage 1 to stage 3	–	–	–	–
Transfers from stage 2 to stage 3	–	–	–	–
Transfers from stage 2 to stage 1	–	–	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	16,023	–	(16,023)	–
Financial assets derecognized during the year other than write-offs	(5,854)	(1,180)	(33,195)	(40,229)
New financial assets originated/purchased	52,065	–	–	52,065
Financial assets written off	–	–	(3,377)	(3,377)
Repayments	(24,382)	(106)	(623)	(25,111)
Modification of contractual cash flows of financial assets	14,173	2	(823)	13,352
Changes in interest accrual	(439)	4	(305)	(740)
<b>Gross carrying amounts at December 31, 2024</b>	<b>248,671</b>	<b>2,138</b>	<b>25,362</b>	<b>276,171</b>
<b>Gross carrying amounts at January 1, 2025</b>	<b>248,671</b>	<b>2,138</b>	<b>25,362</b>	<b>276,171</b>
Transfers:				
Transfers from stage 1 to stage 2	–	–	–	–
Transfers from stage 1 to stage 3	(1,132)	–	1,132	–
Transfers from stage 2 to stage 3	–	(590)	590	–
Transfers from stage 2 to stage 1	–	–	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	6,326	–	(6,326)	–
Financial assets derecognized during the year other than write-offs	(6,673)	–	(2,059)	(8,732)
New financial assets originated/purchased	90,892	963	415	92,270
Financial assets written off	–	–	(9,082)	(9,082)
Repayments	(24,958)	(51)	(2,203)	(27,212)
Modification of contractual cash flows of financial assets	–	–	(70)	(70)
Changes in interest accrual	883	1	(24)	860
<b>Gross carrying amounts at December 31, 2025</b>	<b>314,009</b>	<b>2,461</b>	<b>7,735</b>	<b>324,205</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

Term Loans	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
<b>Gross carrying amounts as at January 1, 2024</b>	158,287	12,556	24,064	194,907
Transfers:				
Transfers from stage 1 to stage 2	(2,261)	2,261	–	–
Transfers from stage 1 to stage 3	(3,676)	–	3,676	–
Transfers from stage 2 to stage 3	–	(1,238)	1,238	–
Transfers from stage 2 to stage 1	7,525	(7,525)	–	–
Transfers from stage 3 to stage 2	–	88	(88)	–
Transfers from stage 3 to stage 1	2,251	–	(2,251)	–
Financial assets derecognized during the year other than write-offs	(25,587)	(1,851)	(1,663)	(29,101)
New financial assets originated or purchased	78,469	410	1,131	80,010
Financial assets written off	(297)	(292)	(2,174)	(2,763)
Repayments	(30,472)	(655)	(3,415)	(34,542)
Modification of contractual cash flows of financial assets	9,133	310	983	10,426
Changes in interest accrual	108	(245)	(165)	(302)
<b>Gross carrying amounts as at December 31, 2024</b>	193,480	3,819	21,336	218,635
<b>Gross carrying amounts as at January 1, 2025</b>	193,480	3,819	21,336	218,635
Transfers:				
Transfers from stage 1 to stage 2	(3,975)	3,975	–	–
Transfers from stage 1 to stage 3	(4,849)	–	4,849	–
Transfers from stage 2 to stage 3	–	(384)	384	–
Transfers from stage 2 to stage 1	847	(847)	–	–
Transfers from stage 3 to stage 2	–	108	(108)	–
Transfers from stage 3 to stage 1	1,168	–	(1,168)	–
Financial assets derecognized during the year other than write-offs	(30,014)	(304)	(1,511)	(31,829)
New financial assets originated/purchased	89,129	599	3,391	93,119
Financial assets written off	(355)	(8)	(1,305)	(1,668)
Repayments	(34,884)	(1,227)	(2,572)	(38,683)
Modification of contractual cash flows of financial assets	–	–	(20)	(20)
Changes in interest accrual	(107)	68	(105)	(144)
<b>Gross carrying amounts as at December 31, 2025</b>	210,440	5,799	23,171	239,410

(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

<b>Mortgage Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amounts as at</b>				
<b>January 1, 2024</b>	334,580	36,200	49,683	420,463
Transfers:				
Transfers from stage 1 to stage 2	(4,373)	4,373	–	–
Transfers from stage 1 to stage 3	(2,381)	–	2,381	–
Transfers from stage 2 to stage 3	–	(2,411)	2,411	–
Transfers from stage 2 to stage 1	25,251	(25,251)	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	14,809	–	(14,809)	–
Financial assets derecognized during the year other than write offs	(15,674)	(2,642)	(3,103)	(21,419)
New financial assets originated/purchased	44,353	1,449	–	45,802
Financial assets written off	–	–	(416)	(416)
Repayments	(24,120)	(951)	(3,079)	(28,150)
Modification of contractual cash flows of financial assets	9,472	1,293	1,990	12,755
Changes in interest accrual	675	(656)	(1,368)	(1,349)
<b>Gross carrying amounts as at</b>				
<b>December 31, 2024</b>	382,592	11,404	33,690	427,686
<b>Gross carrying amounts as at</b>				
<b>January 1, 2025</b>	382,592	11,404	33,690	427,686
Transfers:				
Transfers from stage 1 to stage 2	(9,324)	9,324	–	–
Transfers from stage 1 to stage 3	(5,471)	–	5,471	–
Transfers from stage 2 to stage 3	–	(2,130)	2,130	–
Transfers from stage 2 to stage 1	4,716	(4,716)	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	887	–	(887)	–
Financial assets derecognized during the year other than write offs	(21,788)	(333)	(1,939)	(24,060)
New financial assets originated/purchased	68,300	1,414	720	70,434
Financial assets written off	–	–	–	–
Repayments	(23,432)	(1,056)	(2,939)	(27,427)
Modification of contractual cash flows of financial assets	(72)	–	(127)	(199)
Changes in interest accrual	(335)	115	(151)	(371)
<b>Gross carrying amounts as at</b>				
<b>December 31, 2025</b>	396,073	14,022	35,968	446,063

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

Overdrafts and credit cards	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
<b>Gross carrying amounts as at January 1, 2024</b>	18,033	1,888	2,259	22,180
Transfers:				
Transfers from stage 1 to stage 2	(715)	715	–	–
Transfers from stage 1 to stage 3	(179)	–	179	–
Transfers from stage 2 to stage 3	–	(38)	38	–
Transfers from stage 2 to stage 1	598	(598)	–	–
Transfers from stage 3 to stage 1	55	–	(55)	–
Transfers from stage 3 to stage 2	–	3	(3)	–
Financial assets derecognized during the year other than write-offs	(1,527)	(461)	(221)	(2,209)
Net drawdowns/(repayments)	8,083	1,035	161	9,279
Financial assets written off	(215)	(104)	(305)	(624)
Modification of contractual cash flows of financial assets	–	–	–	–
Changes in interest accrual	43	(7)	20	56
<b>Gross carrying amounts as at December 31, 2024</b>	24,176	2,433	2,073	28,682
<b>Gross carrying amounts as at January 1, 2025</b>	24,176	2,433	2,073	28,682
Transfers:				
Transfers from stage 1 to stage 2	(1,187)	1,187	–	–
Transfers from stage 1 to stage 3	(278)	–	278	–
Transfers from stage 2 to stage 3	–	(583)	583	–
Transfers from stage 2 to stage 1	629	(629)	–	–
Transfers from stage 3 to stage 2	–	11	(11)	–
Transfers from stage 3 to stage 1	94	–	(94)	–
Financial assets derecognized during the year other than write-offs	(3,516)	(863)	(477)	(4,856)
Net drawdowns/(repayments)	8,057	2,186	(64)	10,179
Financial assets written off	–	–	(388)	(388)
Modification of contractual cash flows of financial assets	–	–	–	–
Changes in interest accrual	98	–	18	116
<b>Gross carrying amounts as at December 31, 2025</b>	28,073	3,742	1,918	33,733

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
<b>Total gross carrying amounts</b>				
<b>Gross carrying amounts at January 1, 2024</b>	708,633	53,414	155,714	917,761
Transfers:				
Transfers from stage 1 to stage 2	(7,998)	7,998	–	–
Transfers from stage 1 to stage 3	(6,236)	–	6,236	–
Transfers from stage 2 to stage 3	–	(3,687)	3,687	–
Transfers from stage 2 to stage 1	33,374	(33,374)	–	–
Transfers from stage 3 to stage 2	–	91	(91)	–
Transfers from stage 3 to stage 1	33,138	–	(33,138)	–
Financial assets derecognized during the year other than write-offs	(48,642)	(6,134)	(38,182)	(92,958)
New financial assets originated/purchased	182,970	2,894	1,292	187,156
Financial assets written off	(512)	(396)	(6,272)	(7,180)
Repayments	(78,974)	(1,712)	(7,117)	(87,803)
Modification of contractual cash flows of financial assets	32,778	1,605	2,150	36,533
Changes in interest accrual	387	(904)	(1,818)	(2,335)
<b>Gross carrying amount at December 31, 2024</b>	848,918	19,795	82,461	951,174
<b>Gross carrying amounts at January 1, 2025</b>	848,918	19,795	82,461	951,174
Transfers:				
Transfers from stage 1 to stage 2	(14,486)	14,486	–	–
Transfers from stage 1 to stage 3	(11,730)	–	11,730	–
Transfers from stage 2 to stage 3	–	(3,687)	3,687	–
Transfers from stage 2 to stage 1	6,192	(6,192)	–	–
Transfers from stage 3 to stage 2	–	119	(119)	–
Transfers from stage 3 to stage 1	8,475	–	(8,475)	–
Financial assets derecognized during the year other than write-offs	(61,991)	(1,500)	(5,986)	(69,477)
New financial assets originated/purchased	256,378	5,162	4,462	266,002
Financial assets written off	(355)	(8)	(10,775)	(11,138)
Repayments	(83,274)	(2,334)	(7,714)	(93,322)
Modification of contractual cash flows of financial assets	(72)	–	(217)	(289)
Changes in interest accrual	539	184	(262)	461
<b>Gross carrying amount at December 31, 2025</b>	948,594	26,025	68,792	1,043,411

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

The movement in the loan provisions by class was as follows:

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total provisions \$
<b>Large corporate loans</b>				
<b>Balance at January 1, 2024</b>	1,792	139	27,175	29,106
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(7)	7	–	–
Transfers from stage 1 to stage 3	–	–	–	–
Transfers from stage 2 to stage 3	–	–	–	–
Transfers from stage 2 to stage 1	–	–	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	1,666	–	(1,666)	–
New financial assets originated or purchased	579	–	–	579
Financial assets that have been derecognized	(48)	(45)	(4,844)	(4,937)
Modification of contractual cash flows of financial assets	127	–	2,327	2,454
Bad debts written off	–	–	(3,377)	(3,377)
Provision/(recovery) for the year	(1,545)	(48)	(5,201)	(6,794)
<b>Balance at December 31, 2024</b>	<b>2,564</b>	<b>53</b>	<b>14,414</b>	<b>17,031</b>
<b>Balance at January 1, 2025</b>	<b>2,564</b>	<b>53</b>	<b>14,414</b>	<b>17,031</b>
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	–	–	–	–
Transfers from stage 1 to stage 3	(579)	–	579	–
Transfers from stage 2 to stage 3	–	(7)	7	–
Transfers from stage 2 to stage 1	–	–	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	1,699	–	(1,699)	–
New financial assets originated or purchased	897	59	–	956
Financial assets that have been derecognized	(66)	–	(1,922)	(1,988)
Modification of contractual cash flows of financial assets	–	36	36	72
Bad debts written off	–	–	(7,707)	(7,707)
Provision/(recovery) for the year	(1,234)	(15)	(1,119)	(2,368)
<b>Balance at December 31, 2025</b>	<b>3,281</b>	<b>126</b>	<b>2,589</b>	<b>5,996</b>

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

Term loans	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total provisions \$
<b>Balance at January 1, 2024</b>	647	(67)	9,092	9,672
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(10)	10	–	–
Transfers from stage 1 to stage 3	(28)	–	28	–
Transfers from stage 2 to stage 3	–	(25)	25	–
Transfers from stage 2 to stage 1	266	(266)	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	808	–	(808)	–
New financial assets originated or purchased	671	9	1,041	1,721
Financial assets that have been derecognized	(216)	(29)	(523)	(768)
Modification of contractual cash flows of financial assets	474	414	(6)	882
Bad debts written off	(233)	(209)	(1,951)	(2,393)
Provision/(recovery) for the year	(1,234)	206	2,304	1,276
<b>Balance at December 31, 2024</b>	<b>1,145</b>	<b>43</b>	<b>9,202</b>	<b>10,390</b>
<b>Balance at January 1, 2025</b>	<b>1,145</b>	<b>43</b>	<b>9,202</b>	<b>10,390</b>
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(21)	21	–	–
Transfers from stage 1 to stage 3	(40)	–	40	–
Transfers from stage 2 to stage 3	–	(6)	6	–
Transfers from stage 2 to stage 1	11	(11)	–	–
Transfers from stage 3 to stage 2	–	68	(68)	–
Transfers from stage 3 to stage 1	697	–	(697)	–
New financial assets originated/purchased	759	21	1,649	2,429
Financial assets that have been derecognized	(82)	(147)	(697)	(926)
Modification of contractual cash flows of financial assets	84	(11)	18	91
Bad debts written off	(3)	–	(1,207)	(1,210)
Provision/(recovery) for the year	(861)	(24)	2,548	1,663
<b>Balance at December 31, 2025</b>	<b>1,689</b>	<b>(46)</b>	<b>10,794</b>	<b>12,437</b>

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

Mortgage loans	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total provisions \$
<b>Balance at January 1, 2024</b>	(439)	(659)	17,353	16,255
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(16)	16	–	–
Transfers from stage 1 to stage 3	(1)	–	1	–
Transfers from stage 2 to stage 3	–	(5)	5	–
Transfers from stage 2 to stage 1	540	(540)	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	5,195	–	(5,195)	–
New financial assets originated/purchased	8	9	–	17
Financial assets that have been derecognized	(4)	(9)	(1,060)	(1,073)
Modification of contractual cash flows of financial assets	4	975	20	999
Bad debts written off	–	–	(241)	(241)
Provision/(recovery) for the year	(5,497)	47	1,146	(4,304)
<b>Balance at December 31, 2024</b>	(210)	(166)	12,029	11,653
<b>Balance at January 1, 2025</b>	(210)	(166)	12,029	11,653
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(14)	14	–	–
Transfers from stage 1 to stage 3	(3)	–	3	–
Transfers from stage 2 to stage 3	–	(6)	6	–
Transfers from stage 2 to stage 1	14	(14)	–	–
Transfers from stage 3 to stage 2	–	–	–	–
Transfers from stage 3 to stage 1	697	–	(697)	–
New financial assets originated/purchased	35	5	–	40
Financial assets that have been derecognized	(19)	–	(680)	(699)
Modification of contractual cash flows of financial assets	(1,223)	(185)	(445)	(1,853)
Bad debts written off	–	–	–	–
Provision/(recovery) for the year	564	213	3,400	4,177
<b>Balance at December 31, 2025</b>	(159)	(139)	13,616	13,318

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

<b>Overdrafts and credit cards</b>	<b>Stage 1 12-month ECL \$</b>	<b>Stage 2 Lifetime ECL \$</b>	<b>Stage 3 Lifetime ECL \$</b>	<b>Total provisions \$</b>
<b>Balance at January 1, 2024</b>	706	818	1,739	3,263
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(13)	13	–	–
Transfers from stage 1 to stage 3	(2)	–	2	–
Transfers from stage 2 to stage 3	–	(26)	26	–
Transfers from stage 2 to stage 1	541	(541)	–	–
Transfers from stage 3 to stage 2	–	3	(3)	–
Transfers from stage 3 to stage 1	55	–	(55)	–
New financial assets originated/purchased	142	143	21	306
Financial assets that have been derecognized	(129)	(69)	(12)	(210)
Modification of contractual cash flows of financial assets	–	–	–	–
Bad debts written off	(81)	(46)	(337)	(464)
Provision/(recovery) for the year	(558)	415	328	185
<b>Balance at December 31, 2024</b>	661	710	1,709	3,080
<b>Balance at January 1, 2025</b>	661	710	1,709	3,080
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(37)	37	–	–
Transfers from stage 1 to stage 3	(6)	–	6	–
Transfers from stage 2 to stage 3	–	(75)	75	–
Transfers from stage 2 to stage 1	411	(411)	–	–
Transfers from stage 3 to stage 2	–	11	(11)	–
Transfers from stage 3 to stage 1	94	–	(94)	–
New financial assets originated/purchased	194	81	62	337
Financial assets that have been derecognized	(78)	(140)	(391)	(609)
Modification of contractual cash flows of financial assets	–	–	–	–
Bad debts written off	–	–	(262)	(262)
Provision/(recovery) for the year	(281)	10	516	245
<b>Balance at December 31, 2025</b>	958	223	1,610	2,791

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**10 Impairment losses on loans and advances to customers ...continued**

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total provisions \$
<b>Total credit provisioning</b>				
<b>Balance at January 1, 2024</b>	2,710	230	55,356	58,296
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(46)	46	–	–
Transfers from stage 1 to stage 3	(31)	–	31	–
Transfers from stage 2 to stage 3	–	(56)	56	–
Transfers from stage 2 to stage 1	1,347	(1,347)	–	–
Transfers from stage 3 to stage 2	–	3	(3)	–
Transfers from stage 3 to stage 1	7,724	–	(7,724)	–
New financial assets originated or purchased	1,400	161	1,062	2,623
Financial assets that have been derecognized	(397)	(152)	(6,439)	(6,988)
Modification of contractual cash flows of financial assets	605	1,389	2,341	4,335
Bad debts written off	(314)	(255)	(5,906)	(6,475)
Provision/(recovery) for the year	(8,834)	620	(1,423)	(9,637)
<b>Balance at December 31, 2024</b>	4,164	639	37,351	42,154
<b>Balance at January 1, 2025</b>	4,164	639	37,351	42,154
<b>Changes due to financial assets recognized in the opening balance that have:</b>				
Transfers from stage 1 to stage 2	(72)	72	–	–
Transfers from stage 1 to stage 3	(628)	–	628	–
Transfers from stage 2 to stage 3	–	(94)	94	–
Transfers from stage 2 to stage 1	436	(436)	–	–
Transfers from stage 3 to stage 2	–	79	(79)	–
Transfers from stage 3 to stage 1	3,187	–	(3,187)	–
New financial assets originated/purchased	1,885	166	1,711	3,762
Financial assets that have been derecognized	(245)	(287)	(3,690)	(4,222)
Modification of contractual cash flows of financial assets	(1,139)	(160)	(391)	(1,690)
Bad debts written off	(3)	–	(9,176)	(9,179)
Provision/(recovery) for the year	(1,812)	184	5,345	3,717
<b>Balance at December 31, 2025</b>	5,773	163	28,606	34,542

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 10 Impairment losses on loans and advances to customers ...continued

The table below outlines the reconciliation of changes in the net carrying amount of credit-impaired loans and advances to customers:

	\$
<b>Balance at January 1, 2024</b>	100,358
Change in allowance for impairment	18,005
Classified as credit impaired during the year	11,215
Transferred to performing during the year	(33,229)
Net repayments	(8,935)
Write-offs and amounts derecognized	(42,304)
<b>Balance at December 31, 2024</b>	<u>45,110</u>
<b>Balance at January 1, 2025</b>	45,110
Change in allowance for impairment	8,745
Classified as credit impaired during the year	19,879
Transferred to performing during the year	(8,594)
Net repayments	(7,976)
Write-offs and amounts derecognized	(16,978)
<b>Balance at December 31, 2025</b>	<u>40,186</u>

The table below provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to LECL.

	\$
<b>Financial assets modified during the year ended December 31, 2025</b>	
At amortized cost before modification	10,338
Net modification gain	(289)
<b>Financial assets modified since initial recognition at December 31, 2025</b>	
Gross carrying amount at December 31, 2025 of financial assets for which loss allowance has changed to 12-month measurement during the year	<u>10,323</u>
<b>Financial assets modified during the year ended December 31, 2024</b>	
At amortized cost before modification	7,314
Net modification gain	28
<b>Financial assets modified since initial recognition at December 31, 2024</b>	
Gross carrying amount at December 31, 2024 of financial assets for which loss allowance has changed to 12-month measurement during the year	<u>4,538</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**11 Impairment losses on investment securities**

	<b>Stage 1 12-month ECL \$</b>	<b>Stage 2 Lifetime ECL \$</b>	<b>Total \$</b>
<b>Debt investment securities at FVOCI</b>			
Balance at January 1, 2024	1,276	141	1,417
Net remeasurement of loss allowance	540	(141)	399
<b>Balance at December 31, 2024</b>	<b>1,816</b>	<b>–</b>	<b>1,816</b>
Balance at January 1, 2025	<b>1,816</b>	–	<b>1,816</b>
Net remeasurement of loss allowance	<b>480</b>	–	<b>480</b>
<b>Balance at December 31, 2025</b>	<b>2,296</b>	<b>–</b>	<b>2,296</b>

The above loss allowance is recorded in Other Comprehensive Income within the fair value through OCI reserve in the consolidated statement of financial position and recognized in the consolidated statement of profit or loss. The loss allowance is not recorded against the gross carrying amounts of the investment securities because the carrying amount of debt investment securities at FVOCI is their fair value.

	<b>Stage 1 12-month ECL \$</b>	<b>Stage 2 Lifetime ECL \$</b>	<b>Total \$</b>
<b>Debt investment securities at amortized cost</b>			
Balance at January 1, 2024	241	407	648
Net remeasurement of loss allowance	351	(31)	320
<b>Balance at December 31, 2024</b>	<b>592</b>	<b>376</b>	<b>968</b>
Balance at January 1, 2025	<b>592</b>	<b>376</b>	<b>968</b>
Net remeasurement of loss allowance	<b>298</b>	<b>(58)</b>	<b>240</b>
<b>Balance at December 31, 2025</b>	<b>890</b>	<b>318</b>	<b>1,208</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 11 Impairment losses on investment securities ...continued

Total investment provisions were as follows:

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Total \$
Balance at January 1, 2024	1,517	548	2,065
Net measurement of loss allowance	891	(172)	719
<b>Balance at December 31, 2024</b>	<b>2,408</b>	<b>376</b>	<b>2,784</b>
Balance at January 1, 2025	<b>2,408</b>	<b>376</b>	<b>2,784</b>
Net measurement of loss allowance	<b>778</b>	<b>(58)</b>	<b>720</b>
<b>Balance at December 31, 2025</b>	<b>3,186</b>	<b>318</b>	<b>3,504</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025  
(expressed in thousands of Eastern Caribbean dollars)



## 12 Investment securities

	Amortized cost \$	FVOCI - Debt \$	FVOCI - Equity \$	FVTPL - Debt \$	FVTPL - Equity \$	Total \$
<b>At January 1, 2024</b>	257,192	613,881	28,730	—	35,269	935,072
Additions	218,741	308,279	—	3,694	7,304	538,018
Movements in interest accrued	2,284	2,008	—	46	—	4,338
Disposals (maturities)	(66,322)	(163,477)	—	(365)	—	(230,164)
Disposal (sales)	—	(13,944)	—	(15)	(677)	(14,636)
Net reclassifications	10,552	—	—	—	—	10,552
Changes in fair values	—	2,422	812	34	7,442	10,710
(Provision)/recovery for the year	320	—	—	—	—	320
Amortization of (premium)/discount	434	1,381	—	16	—	1,831
<b>At December 31, 2024</b>	423,201	750,550	29,542	3,410	49,338	1,256,041
<b>At January 1, 2025</b>	423,201	750,550	29,542	3,410	49,338	1,256,041
Additions	167,806	433,331	—	2,651	24,090	627,878
Movements in interest accrued	453	2,804	—	23	—	3,280
Disposals (maturities)	(100,740)	(162,786)	—	(262)	—	(263,788)
Disposal (sales)	(9,644)	(37,846)	—	—	(4,766)	(52,256)
Changes in fair values	—	23,772	1,544	42	7,053	32,411
(Provision)/recovery for the year	(240)	—	—	—	—	(240)
Amortization of (premium)/discount	1,085	2,185	—	17	—	3,287
<b>At December 31, 2025</b>	481,921	1,012,010	31,086	5,881	75,715	1,606,613

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 12 Investment securities ...continued

	2025	2024
	\$	\$
<b>Securities measured at amortized cost</b>		
Debt securities at amortized cost		
- Unlisted	16,559	991
- Listed	466,570	423,178
Less allowance for impairment (note 11)	<u>(1,208)</u>	<u>(968)</u>
	<u>481,921</u>	423,201
<b>Securities measured at fair value through OCI</b>		
Debt securities at fair value		
- Unlisted	31,365	36,890
- Listed	<u>980,645</u>	<u>713,660</u>
Total debt securities	<u>1,012,010</u>	750,550
Equity securities at fair value		
- Unlisted	2,336	2,083
- Listed	<u>28,750</u>	<u>27,459</u>
Total equity securities	<u>31,086</u>	29,542
<b>Total securities at fair value through OCI</b>	<u>1,043,096</u>	780,092
<b>Securities measured at fair value through P&amp;L</b>		
Debt securities at fair value		
- Listed	<u>5,881</u>	3,410
Total debt securities	<u>5,881</u>	3,410
Equity securities at fair value		
- Listed	<u>75,715</u>	49,338
<b>Total securities at fair value through P&amp;L</b>	<u>81,596</u>	52,748
<b>Total investment securities</b>	<u>1,606,613</u>	1,256,041

The weighted average effective interest rate on securities at fair value through other comprehensive income at December 31, 2025 was 4.29% (2024 - 4.41%).

The weighted average effective interest rate on debt securities at amortized cost at December 31, 2025 was 4.04% (2024 - 3.79%).

(expressed in thousands of Eastern Caribbean dollars)

**13 Investment in associates**

The movement in investments in associates are as follows:

Investments in associates are recorded using the equity method of accounting and as such, the carrying balance is initially recorded at cost and subsequently at the investors' share of the investee's net assets.

	2025	2024
	\$	\$
At beginning of year	91,863	76,885
Share of profit of associates	18,242	16,371
Dividends received	(4,827)	(2,442)
Share of other comprehensive income	188	1,049
	<hr/>	<hr/>
At end of year	<b>105,466</b>	91,863

**Investment in Eastern Caribbean Amalgamated Bank Limited**

The Group invested \$4.8M and has a 20% shareholding in the Eastern Caribbean Amalgamated Bank Limited (ECAB). The company is an unlisted company incorporated in Antigua & Barbuda. This undertaking represented the Group's contribution to a joint initiative of indigenous banks of the Eastern Caribbean Currency Union to salvage and restructure the previous Bank of Antigua Limited.

ECAB's financial reporting period ends on September 30.

The adjustments for share of profits of ECAB for 2025 were based on management accounts at September 30, 2025 and December 31, 2025.

The Group's interest in its associate ECAB as at December 31 is as follows:

	2025	2024
	\$	\$
Assets	2,504,936	2,355,001
Liabilities	(2,170,702)	(2,064,513)
Preference shares	(47,869)	(47,869)
	<hr/>	<hr/>
Equity	<b>286,365</b>	242,619
% ownership	20%	20%
Share of equity in associate	<hr/>	<hr/>
	<b>57,273</b>	48,524
Carrying amount of the investment	<hr/>	<hr/>
	<b>57,273</b>	48,524

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 13 Investment in associates ...continued

Summarized statement of profit or loss of ECAB as at December 31 is as follows:

	2025	2024
	\$	\$
Revenue	109,862	127,013
Administrative cost	(51,161)	(50,207)
Depreciation	(8,151)	(7,623)
	<hr/>	<hr/>
Profit for the year	50,550	69,183
Tax expense	(1,124)	(23,525)
	<hr/>	<hr/>
Net income	49,426	45,658
% ownership	20%	20%
	<hr/>	<hr/>
Share of profit	9,885	9,132
	<hr/>	<hr/>
Other comprehensive income	908	2,409
% ownership	20%	20%
	<hr/>	<hr/>
Share of other comprehensive income	181	482
	<hr/>	<hr/>
Total comprehensive income	10,066	9,614
	<hr/>	<hr/>

**13 Investment in associates ...continued**Investment in Bank of St. Vincent and the Grenadines Limited

Bank of St. Vincent and the Grenadines Limited (BOSVG) is a listed company incorporated in St. Vincent. In 2017, the Group disposed of majority interest (31%) in BOSVG, retaining 20%. The transaction resulted in a gain on disposal of \$5.3M representing the excess of the fair value of the purchase consideration over the carrying value of the subsidiary. The fair value of the purchase consideration in this case was the cash proceeds received and fair value of the 20% interest retained. The investment in associates was at that point recorded at fair value plus the \$5.3M (2024 - \$5.3M).

Bank of St. Vincent and the Grenadines Limited's financial reporting period ends on December 31.

The Group's interest in its associate BOSVG as at December 31 is as follows:

	2025 \$	2024 \$
Assets	2,262,950	2,098,638
Preference shares	<u>(2,048,546)</u>	<u>(1,908,504)</u>
Equity	<u>214,404</u>	190,134
% ownership	20%	20%
Share of equity in associate	42,881	38,027
Equity method goodwill	<u>5,312</u>	5,312
Carrying amount of the investment	<u>48,193</u>	43,339

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 13 Investment in associates ...continued

Summarized statement of profit or loss of BOSVG at December 31 is as follows:

	2025	2024
	\$	\$
Revenue	111,121	103,273
Administrative cost	<u>(62,963)</u>	<u>(60,968)</u>
Profit for the year	48,158	42,305
Tax expense	<u>(6,374)</u>	<u>(6,108)</u>
Net income	41,784	36,197
% ownership	<u>20%</u>	<u>20%</u>
Share of profit	<u>8,357</u>	<u>7,239</u>
Other comprehensive income	35	2,835
% ownership	<u>20%</u>	<u>20%</u>
Share of comprehensive income	<u>7</u>	<u>567</u>
Total comprehensive income	<u><u>8,364</u></u>	<u><u>7,806</u></u>

**14 Property and equipment****Year ended December 31, 2025**

	Land and buildings	Leasehold improvements	Office furniture and equipment	Computer equipment	Work-in-progress	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	50,881	804	13,109	2,124	4,276	1,104	72,298
Additions	109	66	3,686	501	1,884	436	6,682
Disposals at cost	—	—	(300)	(10)	—	(598)	(908)
Transfers	1,586	97	66	—	(1,749)	—	—
Accumulated depreciation on disposal	—	—	189	10	—	541	740
Depreciation charge	(1,283)	(133)	(3,031)	(1,326)	—	(351)	(6,124)

**Closing net book amount**

	51,293	834	13,719	1,299	4,411	1,132	72,688
--	--------	-----	--------	-------	-------	-------	--------

**At December 31, 2025**

Cost or valuation	52,576	1,661	29,477	8,002	4,411	1,964	98,091
Accumulated depreciation	(1,283)	(827)	(15,758)	(6,703)	—	(832)	(25,403)

**Net book amount**

	51,293	834	13,719	1,299	4,411	1,132	72,688
--	--------	-----	--------	-------	-------	-------	--------

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**14 Property and equipment ...continued**

	Land and buildings	Leasehold improvements	Office furniture and equipment	Computer equipment	Work-in-progress	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended December 31, 2024</b>							
Opening net book amount	48,106	896	9,884	2,695	7,311	554	69,446
Additions	666	–	3,499	966	1,256	813	7,200
Disposals at cost	–	(8)	(1,582)	(283)	–	(157)	(2,030)
Transfers	2,102	35	2,154	–	(4,291)	–	–
Accumulated depreciation on disposal	–	8	1,560	283	–	145	1,996
Revaluation surplus	7	–	–	–	–	–	7
Depreciation charge	–	(127)	(2,406)	(1,537)	–	(251)	(4,321)
<b>Closing net book amount</b>	<b>50,881</b>	<b>804</b>	<b>13,109</b>	<b>2,124</b>	<b>4,276</b>	<b>1,104</b>	<b>72,298</b>
<b>At December 31, 2024</b>							
Cost or valuation	50,881	1,498	26,025	7,511	4,276	2,126	92,317
Accumulated depreciation	–	(694)	(12,916)	(5,387)	–	(1,022)	(20,019)
<b>Net book amount</b>	<b>50,881</b>	<b>804</b>	<b>13,109</b>	<b>2,124</b>	<b>4,276</b>	<b>1,104</b>	<b>72,298</b>

The major component of land and buildings were revalued on December 11, 2024 by an independent valuer based on the income approach.

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**14 Property and equipment ...continued**

The major component of land and buildings were revalued on December 11, 2024 by an independent valuer based on the income approach. The historical cost of land and buildings is as follows:

	2025	2024
	\$	\$
Cost	49,371	47,676
Accumulated depreciation based on historical cost	<u>(28,451)</u>	<u>(27,168)</u>
Depreciated historical cost	<u>20,920</u>	<u>20,508</u>

**15 Intangible assets**

**Computer  
software  
\$**

**Year ended December 31, 2025**

Balance at January 1, 2025	1,120
Additions	7,882
Amortization	<u>(1,044)</u>
<b>Closing net book value</b>	<u>7,958</u>

**At December 31, 2025**

Cost	11,442
Accumulated amortization	<u>(3,484)</u>
<b>Net book value</b>	<u>7,958</u>

**Year ended December 31, 2024**

Balance at January 1, 2024	900
Additions	975
Amortization	(755)
Disposal	(12,699)
Accumulated amortization on disposals	<u>12,699</u>
Closing net book value	<u>1,120</u>

**At December 31, 2024**

Cost	3,560
Accumulated amortization	<u>(2,440)</u>
<b>Net book value</b>	<u>1,120</u>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 16 Investment properties

	2025	2024
	\$	\$
<b>Land and buildings</b>		
At beginning of year	31,463	31,282
Additions during the year	36	303
Fair value loss on revaluation of investment property	(411)	(122)
<b>At end of year</b>	<b>31,088</b>	<b>31,463</b>

The investment properties are composed of land and buildings. The investment properties are valued annually based on the income approach by an independent, professionally qualified valuer.

The Group has no restrictions on the realizability of its investment properties and no contractual obligation to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The following amounts have been recognized in profit or loss:

	2025	2024
	\$	\$
Rental income	1,620	1,491
Direct operating expenses arising from investment properties that generated rental income	(770)	(670)
	<b>850</b>	<b>821</b>

(expressed in thousands of Eastern Caribbean dollars)

**17 Right-of-use lease asset**

The Group leases a facility to house operations of one of the branches of its subsidiary. The lease typically runs for a period of two years, with an option to renew the lease at expiration. Lease payments are negotiated with every new lease contract to reflect market rentals.

Right-of-use assets related to leased properties are as follows:

	<b>Land and buildings \$</b>
Balance at January 1, 2025	485
Additions	2,009
Depreciation	<u>(485)</u>
<b>At December 31, 2025</b>	<b><u>2,009</u></b>
Balance at January 1, 2024	971
Depreciation	<u>(486)</u>
<b>At December 31, 2024</b>	<b><u>485</u></b>

The Group had a lease liability of \$2,067 (2024 - \$589) against the lease asset.

Amounts recognized in the consolidated statement of profit or loss were as follows:

	<b>2025 \$</b>	<b>2024 \$</b>
Depreciation charge on right-of-use asset	485	486
Interest expense	18	50
Total cash outflow for right-of-use lease liability	550	550

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 18 Other assets

	2025	2024
	\$	\$
Other receivables - card services	180,957	191,969
Suspense accounts and other receivables	7,262	9,798
Rent receivable	1,872	803
	<u>190,091</u>	<u>202,570</u>
Less provision for impairment of other receivables (note 19)	<u>(1,366)</u>	<u>(1,344)</u>
	188,725	201,226
Stationery and supplies	725	731
Prepaid expenses	4,215	4,148
	<u>4,940</u>	<u>4,879</u>
	<u>193,665</u>	<u>206,105</u>

As at December 31, 2025, trade receivables of \$1,516 (2024 - \$601) were past due but not impaired. These relate mainly to receivables from existing customers with some defaults in the past but all amounts due were fully recovered. The aging analysis of these trade receivables is as follows:

	2025	2024
	\$	\$
Greater than 30 days but less than 60 days	122	115
Greater than 60 days but less than 90 days	116	–
Greater than 90 days	1,278	486
	<u>1,516</u>	<u>601</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**19 Provision for impairment of other assets**

The movement in the provision for impairment of other receivables was as follows:

	2025	2024
	\$	\$
At beginning of year	1,344	1,712
Provisions made during the year	1,604	550
Reversals during the year	(1,582)	(66)
Write offs during the year	–	(852)
	<hr/>	<hr/>
At end of year	<b>1,366</b>	<b>1,344</b>

**20 Retirement benefit asset**

A retirement benefit asset is included within the consolidated statement of financial position for the defined contribution plan as the Group determines the return of the defined contribution plan, similar to its defined benefit plan. The actual rates of return differ from the credited rates, resulting in a (liability)/asset on the consolidated statement of financial position.

The amounts recognized in the consolidated statement of financial position are determined as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
Fair value of plan assets	79,611	76,520	22,710	17,984
Present value of funded obligations	(63,232)	(62,357)	(22,082)	(17,905)
	<hr/>	<hr/>	<hr/>	<hr/>
Asset in the consolidated statement of financial position	<b>16,379</b>	14,163	<b>628</b>	79

The movement in the benefit obligation over the year is as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
Beginning of year	62,357	61,010	17,905	13,875
Current service cost	–	–	2,777	2,758
Interest cost	4,598	4,490	790	697
Employee contribution	–	–	945	936
Actuarial gain	(1,625)	(805)	(76)	(135)
Benefits paid	(2,098)	(2,338)	(259)	(226)
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	<b>63,232</b>	62,357	<b>22,082</b>	17,905

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 20 Retirement benefit asset ...continued

The movement in the fair value of plan assets of the year is as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
Beginning of year	76,520	75,777	17,984	13,846
Actual return on plans assets	5,029	3,352	1,303	709
Employer contributions	365	–	2,782	2,758
Employee contribution	–	–	945	936
Benefits paid	(2,098)	(2,338)	(259)	(226)
Administrative expenses	(205)	(271)	(45)	(39)
End of year	<b>79,611</b>	<b>76,520</b>	<b>22,710</b>	<b>17,984</b>

The movement in the net retirement benefit asset recognized in the consolidated statement of financial position is as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
Beginning of year	14,163	14,767	79	(29)
Net periodic cost	864	826	(2,820)	(2,872)
Contributions paid	365	–	2,782	2,758
Effect on the consolidated statement of comprehensive income	987	(1,430)	587	222
End of year	<b>16,379</b>	<b>14,163</b>	<b>628</b>	<b>79</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**20 Retirement benefit asset ...continued**

The net benefit cost recognized in the consolidated statement of profit or loss is as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
Current service cost	–	–	2,777	2,758
Net interest on net defined benefit (liability)/asset	4,598	4,490	790	697
Expected return on plan assets	(5,667)	(5,587)	(792)	(622)
Administrative expenses	205	271	45	39
Consolidated statement of profit or loss	<b>(864)</b>	<b>(826)</b>	<b>2,820</b>	<b>2,872</b>

The net re-measurement gains recognized in the consolidated statement of comprehensive income are as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
(Gain)/loss from experience	(1,625)	(805)	(76)	(135)
Expected return on plan assets	5,667	5,587	792	622
Actual return on plan assets	(5,029)	(3,352)	(1,303)	(709)
Consolidated statement of comprehensive income	<b>(987)</b>	<b>1,430</b>	<b>(587)</b>	<b>(222)</b>

The principal actuarial assumptions used were as follows:

	2025	2024
	%	%
Discount rate	7.5	7.5
Future promotional salary increases	4.5	4.5
Future inflationary salary increases	2	2

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 20 Retirement benefit asset ...continued

Assumptions are set to approximate the expected average rates over the long term and may not be appropriate in any specific year.

Plan assets allocation is as follows:

	2025	2024
	%	%
Debt securities	69	72
Equity securities	25	16
Other	6	12
	100	100

The pension plan assets do not include assets or ordinary shares of the Group.

### Mortality rate

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in Saint Lucia.

The average life expectancy in years of a pensioner retiring at age 60 after the consolidated statement of financial position date is as follows:

	2025	2024
Male	25.36	25.27
Female	27.20	27.16

The assumption adopted for the expected return on assets considers the actual assets the Plan holds and the outlook for returns on various asset classes. This assumption is usually derived by looking at actual asset mix and making assumptions about returns relative to the “baseline” of the plan’s discount rate, which are taken to be the returns on corporate and government bonds.

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**20 Retirement benefit asset ...continued**

The major categories of the fair value of the total plan assets are as follows:

	Defined Benefit		Defined Contribution	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Quoted investment securities</b>				
Quoted equity securities:				
- Energy	31	34	–	–
- Consumer staples	–	3,083	–	–
- Other	18,948	10,610	6,141	1,065
Quoted debt securities:				
- Sovereign bonds	14,348	18,920	4,158	976
- Industrial	13,385	7,455	958	–
- Financial	3,449	5,638	1,021	380
- Other	7,125	11,440	1,136	6,181
<b>Cash and cash equivalents</b>	3,523	7,277	2,427	4,592
<b>Unquoted investment securities</b>				
Unquoted debt securities:				
- Sovereign bonds	16,099	12,055	6,435	779
- Industrial	–	–	–	1,014
- Financial	2,335	–	254	721
- Other	–	–	–	2,105
Unquoted equity securities:				
- Other	368	8	180	171
<b>Total</b>	<b>79,611</b>	<b>76,520</b>	<b>22,710</b>	<b>17,984</b>

Included in cash is \$2,040 (2024 - \$4,928) held on behalf of the Pension Fund.

The following payments are expected contributions to the pension plan in future years:

	2025	2024
	\$	\$
Within the next 12 months	1,791	1,592
Between 1 and 5 years	9,740	8,738
Between 5 and 10 years	20,921	19,384
<b>Total expected payments</b>	<b>32,452</b>	<b>29,714</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.63 years (2024 - 12.25 years).

At December 31, 2025, there were 401 (2024 - 359) members of the defined contribution section of the plan.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 21 Deposits from banks

	2025	2024
	\$	\$
Deposits from banks	<u>16,561</u>	<u>17,025</u>

The weighted average effective interest rate on deposits from banks at December 31, 2025 was 0.79% (2024 - 0.75%).

## 22 Due to customers

	2025	2024
	\$	\$
Term deposits	297,874	314,535
Savings deposits	1,036,407	935,044
Call deposits	382,955	454,942
Demand deposits	<u>1,499,139</u>	<u>1,257,588</u>
	<u>3,216,375</u>	<u>2,962,109</u>

The weighted average effective interest rate of customers' deposits at December 31, 2025 was 0.88% (2024 - 0.97%).

## 23 Other liabilities

	2025	2024
	\$	\$
Other payables and suspense	110,550	180,867
Managers' cheques outstanding	4,912	5,840
Agency loans	<u>842</u>	<u>625</u>
	<u>116,304</u>	<u>187,332</u>
Net assets attributable to unit holders of the mutual fund	<u>17,838</u>	<u>1,725</u>
	<u>134,142</u>	<u>189,057</u>

The agency loans are funds issued to the Group by the Government of Saint Lucia for disbursement to the related projects. The Group earns an agency fee on the amounts disbursed. The funds belong to the Government of Saint Lucia and the Group bears no risk in relation to these funds.

(expressed in thousands of Eastern Caribbean dollars)

**24 Deferred tax liability**

The movements in the deferred tax liability are as follows:

	2025	2024
	\$	\$
Net deferred tax position at beginning of year	3,397	2,149
<b>Deferred tax charge to the income statement:</b>		
Arising from retirement benefit plan	357	214
Prior year timing differences	–	594
Arising from general provisions	(2,775)	–
Arising from other timing differences	821	802
<b>Deferred tax (recovery)/charge for the year (note 36)</b>	<b>(1,597)</b>	<b>1,610</b>
<b>Deferred tax charge to other comprehensive income:</b>		
Deferred tax charge/(recovery) arising from retirement benefit plan	472	(362)
<b>Deferred tax liability at end of year</b>	<b>2,272</b>	<b>3,397</b>

The deferred tax account is detailed as follows:

	2025	2024
	\$	\$
Accelerated capital allowances	(55)	(876)
General provisions	(2,775)	–
Retirement benefit asset	5,102	4,273
<b>Net deferred tax liability</b>	<b>2,272</b>	<b>3,397</b>

Deferred income taxes and liabilities are offset when there are legally enforceable rights to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 25 Share capital

	2025		2024	
	No of shares	\$	No of shares	\$
<b>Ordinary shares</b>				
Authorized:				
Unlimited ordinary shares of no-par value				
<b>Issued and fully paid</b>				
At beginning and end of year	<b>24,465,589</b>	<b>170,081</b>	24,465,589	170,081

## 26 Contributed capital

Total capital contributions received at December 31 were as follows:

	2025	2024
	\$	\$
Productive Sector Equity Fund	<b>1,118</b>	1,118

The figures above represent the contributions to the Group by third parties in support of the named fund.

## 27 Reserves

	2025	Restated 2024
	\$	\$
(a) General reserve	<b>14,005</b>	14,005
(b) Statutory reserve	<b>174,118</b>	157,556
(c) Student loan guarantee fund reserve	<b>943</b>	943
(d) Retirement benefit reserve	<b>17,007</b>	14,242
(e) Contingency reserve	<b>28,048</b>	22,091
<b>Total reserves at December 31</b>	<b>234,121</b>	208,837

(expressed in thousands of Eastern Caribbean dollars)

**27 Reserves...continued**

Movements in reserves were as follows:

	2025 \$	2024 \$
<b>(a) General</b>		
At beginning and end of the year	<u>14,005</u>	<u>14,005</u>

It is the policy of the Group to maintain a general reserve for reinvestment in operations. Transfers to the reserve are based on a maximum of 35% of the consolidated Group's profit for the year after transfers to the statutory reserve. There were no transfers to reserves in 2025 and 2024.

	2025 \$	Restated 2024 \$
<b>(b) Statutory</b>		
At beginning of the year	157,556	139,693
Allocated from profits during the year	<u>16,562</u>	<u>17,863</u>
At end of the year	<u>174,118</u>	<u>157,556</u>

Pursuant to Section 45 (1) of the Banking Act 2015, banking institutions shall, out of its net profits of each year, transfer to that reserve a sum equal to not less than twenty percent of such profits whenever the amount of the fund is less than one hundred percent of the paid-up capital of the banking institutions.

	2025 \$	2024 \$
<b>(c) Student loan guarantee fund</b>		
At beginning and end of the year	<u>943</u>	<u>943</u>

This is a non-distributable reserve. Transfers are made to the reserve at an amount equal to the net profit of the Student Loan Guarantee Fund.

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**27 Reserves ...continued**

	2025	2024
	\$	\$
<b>(d) Retirement benefit</b>		
At beginning of the year	14,242	14,738
Allocated from/(transferred to) retained earnings during the year	<u>2,765</u>	<u>(496)</u>
At end of the year	<u>17,007</u>	<u>14,242</u>

The retirement benefit reserve is a non-distributable reserve. It is the Group's policy to match the amount the net defined benefit (liability)/asset with the retirement benefit reserve.

	2025	2024
	\$	\$
<b>(e) Contingency</b>		
At beginning of the year	22,091	23,590
Allocated from/(transferred to) retained earnings	<u>5,957</u>	<u>(1,499)</u>
At end of the year	<u>28,048</u>	<u>22,091</u>

The contingency reserve fund is created as an appropriation from retained earnings to set aside a portion of profits against loan loss provisions. This reserve will be funded annually until the total loan loss provisions and the contingency reserve equates to the higher of non-performing loans or the ECCB regulatory reserve. The contingency reserve is non-distributable to the extent of the regulatory reserve.

(expressed in thousands of Eastern Caribbean dollars)

**28 Related party transactions and balances**

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 by making financial and operational decisions.

The following accounts maintained by related parties are included under due to customers and deposits from banks:

	2025	2024
	\$	\$
<b>Bank of St. Vincent and the Grenadines Limited</b>		
Current account	7,563	16,068
<b>GK Insurance (Eastern Caribbean) Limited</b>		
Current account	8,360	9,889
Fixed deposit	362	359
<b>Eastern Caribbean Amalgamated Bank Limited</b>		
Current account	409	52
Fixed deposit	10,603	10,621

The following transactions were carried out with related companies:

	2025	2024
	\$	\$
<b>Income</b>		
Bank of St. Vincent and the Grenadines Limited	18	18
GK Insurance (Eastern Caribbean) Limited	12	12
	<hr/>	<hr/>
Total service and management fees	30	30

The Group has an agency arrangement with GK Insurance (Eastern Caribbean) Limited. The balances and transactions with respect to this arrangement are as follows:

	2025	2024
	\$	\$
Liabilities	5	83
Commissions	1,896	1,709
Expenses	641	625

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

## 28 Related party transactions and balances ...continued

### Other related parties

A number of banking transactions are entered into with other related parties in the normal course of business. These include loans and deposits. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at year end, and related expenses and income for the year are as follows:

	2025		2024	
	Loans \$	Deposits \$	Loans \$	Deposits \$
Directors and key management	9,309	6,373	8,544	6,643

The loans issued to directors and other key management personnel are repayable monthly over an average of 6.02 years (2024 - 10.6 years) and have a weighted average effective interest rate of 4.9% (2024 - 4.5%). The loans advanced to the directors are secured by mortgages over residential properties.

Interest income and interest expense with related parties were as follows:

	2025		2024	
	Income \$	Expense \$	Income \$	Expense \$
Directors and key management	400	152	364	159

### Key management compensation

Key management includes the Group's senior management team. The compensation paid or payable to key management for employee services is shown below:

	2025 \$	2024 \$
Salaries and other short-term benefits	3,933	4,554
Pension costs	355	409
	<b>4,288</b>	<b>4,963</b>
Directors' remuneration	550	552

The Government of Saint Lucia has a significant shareholding in ECFH and the exemption allowed under IAS 24 which allows exemption for disclosure of information for government related entities, was adopted. A number of Banking transactions are entered into with the Government of Saint Lucia in the normal course of business, including loans and overdrafts and the related interest income, deposits and the related interest expense, investment securities, brokerage services and payment of taxes.

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**29 Net interest income**

	2025	2024
	\$	\$
<b>Interest income</b>		
Loans and advances	59,031	57,751
Investment securities	58,383	39,347
Deposits with banks and financial institutions	21,996	25,223
	<u>139,410</u>	<u>122,321</u>
<b>Interest expense</b>		
Term deposits	(7,239)	(6,714)
Savings deposits	(20,995)	(19,381)
Other borrowed funds	(472)	(1,232)
Demand deposits	(46)	(654)
Correspondent banks	(133)	(141)
	<u>(28,885)</u>	<u>(28,122)</u>
<b>Net interest income</b>	<u>110,525</u>	<u>94,199</u>

**30 Net fee and commission income**

	2025	2024
	\$	\$
<b>Fee and commission income</b>		
Fees and commissions	53,984	62,386
Brokerage related fees and commissions	6,028	5,250
Asset management and related fees	10	47
	<u>60,022</u>	<u>67,683</u>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 31 Net foreign exchange trading income

	2025	2024
	\$	\$
<b>Foreign exchange</b>		
Transaction gains, net	11,607	11,043
Translation gains, net	2,605	786
	14,212	11,829

### 32 Other operating income

	2025	2024
	\$	\$
Rental income	2,604	2,475
Bad debt recovery income	10,689	4,687
Dividend income	1,054	775
Service and management fees	631	702
	14,978	8,639

### 33 Other gains, net

	2025	2024
	\$	\$
Gains/(losses) on disposal of investment securities at fair value	1,917	(936)
Gains on disposal of amortized cost investment securities	135	–
Unrealized gains on FVTPL investment securities	7,117	7,510
Fair value loss on revaluation of land and buildings	–	(2,710)
Fair value loss on revaluation of investment property	(411)	(122)
	8,758	3,742

East Caribbean Financial Holding Company Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

**34 Operating expenses**

	2025	2024
	\$	\$
Employee benefit expense (note 35)	41,122	38,472
Depreciation and amortization (notes 14, 15 and 17)	7,653	5,562
Utilities	5,726	5,464
Repairs and maintenance	4,177	4,136
Software licenses	12,545	11,310
Advertising and promotion	4,537	4,003
Bank and other licences	252	250
Security	2,248	2,122
Printing and stationery	1,086	913
Legal and professional fees	3,391	1,283
Audit fees	1,004	836
Insurance	1,468	1,257
Credit card expenses	27,416	16,174
Correspondent bank service charges	2,267	2,057
Travel and entertainment	551	473
Other expenses	8,068	5,056
	<b>123,511</b>	<b>99,368</b>

**35 Employee benefit expense**

	2025	2024
	\$	\$
Wages and salaries	27,097	25,709
Other staff costs	12,071	10,721
Retirement benefit expense	1,954	2,042
	<b>41,122</b>	<b>38,472</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

### 36 Income tax expense

	2025	Restated 2024
	\$	\$
Current tax	4,440	11,365
Deferred tax (release)/charge during the year (note 24)	<u>(1,597)</u>	<u>1,610</u>
	<u>2,843</u>	<u>12,975</u>
Deferred tax charge/(release) on other comprehensive income: Deferred tax charge/(release) arising from retirement benefit pension plan	<u>472</u>	<u>(362)</u>
	<u>3,315</u>	<u>12,613</u>

Tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 30% as follows:

	2025	Restated 2024
	\$	\$
Profit for the year before income tax and dividends on preference shares	<u>98,789</u>	<u>112,013</u>
Tax calculated at the applicable tax rate of 30%	29,637	33,604
Tax effect of income not subject to tax	(24,747)	(23,234)
Deferred tax asset arising from general provisions	(2,775)	–
Deferred tax expense	–	594
Expense not deductible for tax purposes	<u>728</u>	<u>2,011</u>
	<u>2,843</u>	<u>12,975</u>

Income not subject to tax includes income derived from investments in securities issued by the Government of Saint Lucia, investment securities issued outside Saint Lucia (Income Tax (Amendment) Act No 12 of 2018, income from housing mortgages (section 28 of the Income Tax Act Chapter 15.02) and income from associates recognized under the equity method of accounting for Investments in Associates.

(expressed in thousands of Eastern Caribbean dollars)

**37 Earnings per share****Basic and diluted**

Basic profit per share is calculated by dividing profit for the year attributable to ordinary shareholders of \$94,317 (2024 - \$98,699) by the weighted average number of ordinary shares in issue each year of 24,465,589 (2024 - 24,465,589). Profit attributable to shareholders is profit after deducting preference dividends of \$291 (2024 - \$291).

Diluted profit per share is calculated by dividing profit for the year attributable to ordinary shareholders of \$94,317 (2024 - \$98,699) by the weighted average number of dilutive shares of 25,295,589 (2024 - 25,295,589) being the total number of shares that would exist if all the preference shares are converted to ordinary shares. Profit attributable to shareholders is profit after deducting preference dividends of \$291 (2024 - \$291).

**38 Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances:

	2025	2024
	\$	\$
Cash and balances with Central Bank (note 6)	55,836	117,691
Deposits with other banks (note 7)	286,832	405,715
Deposits with non-bank financial institutions (note 8)	8,432	40,105
	<b>351,100</b>	<b>563,511</b>

**39 Contingent liabilities and commitments**Commitments

The following table indicates the contractual amounts of the Group's financial instruments that commit it to extend credit to customers.

	2025	2024
	\$	\$
Loan commitments	196,534	165,754
Guarantees and letters of credit	9,492	8,423
	<b>206,026</b>	<b>174,177</b>

East Caribbean Financial Holding Company Limited  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025



(expressed in thousands of Eastern Caribbean dollars)

#### 40 Principal subsidiary undertakings

	Holding	
	2025	2024
	%	%
Bank of Saint Lucia Limited	100	100

All holdings are in the ordinary share capital of Bank of Saint Lucia Limited.

#### 41 Cumulative preference shares

	2025		2024	
	No. of shares	\$	No. of shares	\$
<b>7% Cumulative preference shares</b>				
Authorized:				
11,550,000 preference shares				
At beginning and end of year	<b>830,000</b>	<b>4,150</b>	830,000	4,150

The preference shares are non-voting and are to be converted to ordinary shares. The Group has imposed certain restrictions with respect to the number of preference shares that can be converted to ordinary shares in any one year.

The Board of Directors of the Group and the National Insurance Corporation respectively have formally agreed that future conversions of preference shares should be done at \$5 per share.

Dividends declared and unpaid on the preference shares during the year amounted to \$291 (2024 - \$291).

(expressed in thousands of Eastern Caribbean dollars)

**42 Restatement of financial statements**

The Group adjusted tax expense for income year 2024 for the tax effect of exempt income. The impact of the consolidated statement of financial position, statement of profit or loss and statement of comprehensive income is detailed in the table below:

Effects on the consolidated statement of financial position were as follows:

	2024 as previously stated \$	Adjustment \$	2024 Restated \$
Income tax payable	7,561	(6,316)	1,245
Total liabilities	3,184,469	(6,316)	3,178,153
Retained earnings	53,601	5,053	58,654
Reserves	207,574	1,263	208,837
Total equity	440,161	6,316	446,477
Total liabilities and equity	3,624,630	–	3,624,630

Effects on the consolidated statement of profit or loss were as follows:

Income tax expense	(19,291)	6,316	(12,975)
Profit for the year after taxation	92,383	6,316	98,699

Effects on the consolidated statement of comprehensive income were as follows:

Profit for the year after taxation	92,383	6,316	98,699
Other comprehensive income/(loss)	6,619	–	6,619
Total comprehensive income for the year net of tax	<u>99,002</u>	<u>6,316</u>	<u>105,318</u>

**43 Comparatives**

Certain balances were reclassified in the prior year to be consistent with the current year's presentation. These changes had no impact on the total assets or total equity.

**44 Dividends paid**

On March 25, 2026 the Directors declared a dividend of \$1.00 (2024 - \$0.75) per ordinary share to shareholders in respect of the 2025 financial year.





**ECFH**

East Caribbean Financial Holding Company Limited

**#1 Bridge Street, P.O Box 1860  
Castries, Saint Lucia, West Indies  
[www.ecfh.com](http://www.ecfh.com)**