

**Schedule 2
FORM ECSRC-OR**

(Select One)

QUARTERLY FINANCIAL REPORT for the period ended 31, December 2024

Pursuant to Section 98(2) of the Securities Act, 2001

OR

TRANSITION REPORT

for the transition period from to

Pursuant to Section 98(2) of the Securities Act, 2001

(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: HMB160990GR

EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB)

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

(Territory or jurisdiction of incorporation)

ECCB COMPLEX, BIRD ROCK, BASSETERRE, ST. KITTS

(Address of principal executive Offices)

Reporting issuer's:

Telephone number (including area code): 1-869-466-7869

Fax number: _____

Email address: info@echmb.com

Not applicable, Not applicable, Not applicable

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

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuers classes of common stock, as of the date of completion of this report 4.

CLASS	NUMBER
A	66812
B	51178
C	80181

D

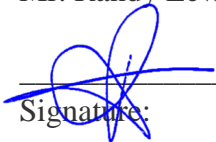
70578

SIGNATURES

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

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

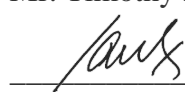
Name of Chief Executive Officer:
Mr. Randy Lewis



Signature:

January 28, 2025
Date

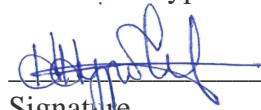
Name of Director:
Mr. Timothy Antoine



Signature:

January 28, 2025
Date

Name of Chief Financial Officer:
Ms. Heidi Hypolite



Signature

January 28, 2025
Date

1. Financial Statements.

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

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

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

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

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

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

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

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

Please see the appended document "*ECHMB Capital Unaudited Financial Statements for the Nine (9) Months Ended 31 December 2024*".

Liquidity and Capital Resources

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

- i. The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii. Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii. The issuer's internal and external sources of liquidity and any material unused sources of liquid assets
- iv. Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v. Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi. Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii. The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii. The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix. Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

Please see the appended document "*ECHMB Capital Unaudited Financial Statements for the Nine*

(9) Months Ended 31 December 2024".

Off Balance Sheet Arrangements

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

i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.

ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.

iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the offbalance sheet arrangements.

iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

As at 31 December 2024, there were no Off-Balance Sheet Arrangements.

Results of Operations

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

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

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

Overview of Results of Operations

- i) There were no unusual or infrequent events or transactions or significant economic changes that materially affected the amount of reported income from continuing operations. Please also refer to the appended document "***ECHMB Capital Unaudited Financial Statements for the Nine (9) Months Ended 31 December 2024***", which provides an overview of results of operations.
- ii) There were no significant components of revenues or expenses that should, in ECHMB's judgment, be described in order to understand the results of operations. Please also refer to the appended document "***ECHMB Capital Unaudited Financial Statements for the Nine (9) Months Ended 31 December 2024***", which provides an overview of results of operations.
- iii) ECHMB is not aware of any known trends or uncertainties that have had or that it reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations except for those noted in the appended document "***ECHMB Capital Unaudited Financial Statements for the Nine (9) Months Ended 31 December 2024***", which provides an overview of results of operations.
- iv) There are no known events meeting the specified criteria.
- v) Not applicable.
- vi) There are no matters meetings the specified criteria.
- vii) There are no matters meetings the specified criteria.
- viii) There are no matters meetings the specified criteria.
- ix) The ECHMB's Business Plan is implemented through Work Programmes, which outline team and individual performance goals. The Work Programmes are integral towards the preparation of the

Operating Budget with controls being monitored through Monthly Management Reporting and Board Committee Meetings.

Please also refer to the appended document "***ECHMB Capital Unaudited Financial Statements for the Nine (9) Months Ended 31 December 2024***" for additional discussions on the results of operations.

3. Disclosure about Risk Factors.

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

ECHMB Risk Management Framework

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

The framework also provides guidelines for effective communication and stipulates a distinction between:

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

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

Financial Risks

Credit Risk

Credit risk is the most significant measurable risk faced by ECHMB Capital. It is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. The significant rise in the "terminal Interest" rate in the US has resulted in an unprecedented shock in economic activity regionally and internationally, which in turn contributed to elevated credit risk in global markets.

Management's Response

- Strengthen the Bank's corporate governance structure with the appointment of Assets and Liabilities and Investment Committees.
- Updated the Bank's consolidated policies.
- Expanded the Investment Department to enable ongoing risk monitoring at the individual counterparty and portfolio level.
- Increased diversification of the investment portfolio.

Liquidity Risk

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

Management's Response

- The Bank maintains cash buffers with international financial intermediaries.
- The Bank has negotiated favourable credit lines with international banks.
- The Bank is shortening the tenure of its fixed income portfolio to less than five (5) years.
- The Bank has developed a funding and liquidity policy.
- The Bank has boosted in capital structure with an injection of equity.
- Maintaining a portfolio of unencumbered, high-liquid, high credit quality assets -money market instruments with maturities 1 month or less and rated A1/P1 by Moody's or A+ by S&P/Fitch. A significant part of the investment portfolio is traded on an active market and hence, can be easily liquidated to meet any liquidity crunch.

Market Risk

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

Management's Response

- The Bank has a fully functioning Investment Committee.
- ECHMB Capital will apply a laddering strategy at all times to help smooth out the effects of interest rate fluctuations.
- The Bank continues to diversify its investment portfolio in terms of jurisdiction, instrument types, and currency exposure.
- ECHMB Capital minimizes the variations in earnings, capital and cash flow arising from the impact of exchange rate movements by transacting only in EC-denominated or

US-denominated instruments.

- The Bank has expanded its Investment Department and has onboarded a Chief Risk and Compliance Officer.
- The Bank has automated reporting and management of its investment portfolio.
- The Bank is shortening the tenure of its fixed income portfolio to less than five (5) years.
- Divestment of assets reported at Fair Value Through Profit and Loss.

Balance Sheet Risk

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

Management's Response

The Bank has established the following operating limits:-

- Achieve a target Net Profit for the year of a minimum of 20.0% of interest income.
- Operate with a non-interest /total expenses ratio of less than 45.0%.
- Achieve a rate of return of at least 1.4% on total assets.
- Ensure debt capital never exceed 8.0:1 times of shareholders' equity.

Non-Financial Risk

Strategic Risk

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

Management's Response

- Prepared a 3-year strategic plan as well as an annual (i) business plan; (ii) work plan; (iii) operating budget; and (iv) balance scorecard.
- On a monthly basis, submit to the Board of Directors management accounts with explanations of significant variances from the strategic and annual business plans.

Operational Risk

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

Management's Response

- Most payments were made via Electronic Fund Transfer.
- The Bank has instituted a telecommuting policy.
- The Bank has offshore backup of its information technology platform and performs its due diligence annually.
- The major equipment of the Bank is insured.

Cyber Risk

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

Management's Response

- Banks ensures its firewalls are up to date and fully functioning.
- The Bank undertakes an Information technology audit periodically.
- Continued staff awareness on potential cyber-attack threats.
- Monthly changing of passwords.
- Information Technology Policy is updated annually.

Regulatory, Accounting and Compliance

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

Management's Response

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

Reputational Risk

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

Management's Response

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

4. Legal Proceedings.

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

There was a pending legal proceeding during FY 2024 re **Claim No. GDAHCV2021/0111 BETWEEN: CLICO INTERNATIONAL LIFE INSURANCE LIMITED** (under Judicial Management) (claimant) v **EASTERN CARIBBEAN HOME MORTGAGE BANK** (defendant). The Claimant filed the claim in the Supreme Court in Grenada against the defendant on March 29, 2021 and sought inter alia:

1. a declaration that the Claimant is entitled to deal with and sell the 20,000 Class F Shares owned by the Claimant in the Defendant for such sum and under such terms as the Claimant might think fit; and
2. the sum of \$1,550,000 which the Claimant alleges is due and owing to it by the dividends on 20,000 Class F Shares numbered 074563 to 094562, for the financial years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 together with interest.

On October 31, 2023, the case was heard and on March 14, 2024 the High Court in Grenada ruled on behalf of the Judicial Manager (St. Lucia). The Board of Directors contended that there is reasonable basis for appeal and filed a Notice of Appeal. The appeal is expected to be heard in FY 2025.

5. Changes in Securities and Use of Proceeds

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

There were no changes in registered securities and use of proceeds during the period under review.

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

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

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

Name and address of underwriter(s)

Amount of expenses incurred in connection with the offer

Net proceeds of the issue and a schedule of its use

Payments to associated persons and the purpose for such payments

Not applicable.

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

There were no restrictions during the period under review.
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6. Defaults upon Senior Securities.

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

ECHMB has not defaulted on any of its payment obligations.

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

There were no material arrears during the period of review.

7. Submission of Matters to a Vote of Security Holders

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

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

04th Oct 2024

Annual Meeting

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

Directors Elected

The Director appointed for the following class for the ensuing two years in accordance with Article 15 (1) of the ECHMB Agreement is as follows:

Class C - Michael Spencer

Directors Elected

The following Directors continued their term of office after the meeting held on Friday 4th October 2024:

Class A - Timothy N. J. Antoine

Class B - Stewart Haynes

Class C - Sandra Derrick

Class D - Alymer Irish

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

The Results of Items Brought to a Vote Were as Follows: -

- Directors' Report, Auditors' Report and Audited Financial Statements of the Bank for the year ended 31st March 2024 were received and adopted by shareholders.
- The Directors appointed for the following classes for the ensuing two (2) years in accordance with Article 15 (1) of the ECHMB Agreement are as follows: -
 - Class A - Timothy N. J. Antoine
 - Class B - Stewart Haynes
 - Class C - Sandra Derrick and Michael Spencer
 - Class D - Aylmer A. Irish
- Shareholders declared a dividend for the year ended 31st March 2024 to ordinary and preference shares of record dated 31st March 2024 as follows: -
 - Ordinary shares - \$5.00 per share
 - Preference shares - 5.00% per share
- The Audit Firm, PKF Grenada, was appointed as the Bank's External Auditors for the year ending 31st March 2025.

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

Not applicable.

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

Not applicable.

8. Other Information.

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

Not applicable.