

Schedule 2
FORM ECSRC – OR

(Select One)

QUARTERLY FINANCIAL REPORT for the period ended 30th June 2021
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)

GRENADA

(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: 1-869-466-7518

Email address: info@ECHMB.com

N/A

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

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. Total 268,749

CLASS	NUMBER
Class A	66,812
Class B	51,178
Class C	80,181
Class D	70,578

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

SIGNED AND CERTIFIED

Signature

30 August 2021

Date

Name of Director:

Mr. Timothy Antoine

SIGNED AND CERTIFIED

Signature

Sept. 03, 2021

Date

Name of Chief Financial Officer:

Ms. Heidi Hypolite

SIGNED AND CERTIFIED

Date

30th August 2021

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

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

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

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

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

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

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

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

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

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

General Discussion and Analysis of Financial Condition

Please see the appended document "ECHMB Capital Unaudited Financial Statements for the Three (3) months ended 30th June 2021".

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 Three (3) months ended 30th June 2021".

Off Balance Sheet Arrangements

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

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

As at 30th June 2021, 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

Please see the appended document "ECHMB Capital Unaudited Financial Statements for the Three (3) months ended 30th June 2021".

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.

There were no events occurring during the period under review which meet the stated criteria.

4. Legal Proceedings.

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

There were no pending legal proceedings during the period under review except for the following:

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 seeks inter alia:

a) 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

b) 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.

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.

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

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

Not applicable

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

Not applicable

- Name and address of underwriter(s)

Not applicable

- Amount of expenses incurred in connection with the offer Not applicable

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

Not applicable

- 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.

6. Defaults upon Senior Securities.

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

The ECHMB has not defaulted on any of its payment obligations.

- (b) If any material arrear 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 arrear or delinquency.

There were no material arrears.

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.

The 25th Annual General Meeting (AGM) OF Shareholders of the Eastern Caribbean Home Mortgage Bank was held virtually on Friday 2, October 2020.

- (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.

The Directors appointed for the following classes for the ensuing two years in accordance with Article 15 (1) of the ECHMB Agreement are as follows:

Class B - Stewart Haynes
Class C - Baldwin Taylor

The following Directors continued their term of office after the meeting held virtually on Friday 2, October 2020 :

Class A - Timothy N.J Antoine
Class C - Peter Blanchard
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 following matters were voted upon and approved:

1) Shareholders declared a cash dividend of Ten Dollars (\$10.00) for each unit of share for the financial year ended 31st March 2020 to be paid to the shareholders on record date 31st March 2020.

2) The audit firm, KPMG, was appointed as the Bank's External Auditors for the year ending 31st March 2021.

All matters were approved by majority vote.

Then numbers of votes cast for or against and abstentions are unavailable.

- (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.

The Eastern Caribbean Home Mortgage Bank (ECHMB) at its 25th Annual General Meeting of Shareholders held virtually on October 2nd 2020, adopted the trading name "ECHMB Capital".

The ECHMB is not aware of any other material issue which may qualify to be reported.



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

Unaudited Financial Statements

For the Three (3) Months Ended 30th June 2021

(Expressed in Eastern Caribbean dollars)

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

Performance Highlights Three (3) Months 30th June 2021



Growth in
Investment Securities
\$125.72M
(45.15%)



Growth in Borrowings
\$93.30M
(33.15%)



Growth in Equity
\$13.42M
(18.84%)



Return
on Shareholders' Equity
20.70%



Book Value Per share
\$314.94



Increase in
Capital Gains to
Shareholders
18.84%



\$4.43M
Interest Income



\$2.13M
Net Interest Income



\$4.38M
Net Profit for Three
(3) Months

**Eastern Caribbean Home Mortgage Bank
(Trading As ECHMB Capital)
Report to Shareholders
Three (3) Months Ended 30th June 2021**

1.0 Significant Transactions Three (3) Months Ended 30th June 2021

- Purchased Investments Securities totaling \$30.57M
- Sold and/or redeemed Investments Securities totaling \$26.14M
- Repaid Borrowings totaling \$84.64M
- Repaid Other Borrowings totaling \$65.07M
- Successfully issued Borrowings amounting to \$93.78M
- Paid interim dividend of \$7.50 per share totaling \$1.86M

2.0 Interest Income

- 2.1 For the three (3) months ended 30th June 2021, Investment Securities were reported at \$404.15M, representing growth of \$125.72M (45.15%) when compared to the \$278.43M reported for the comparative period of 2020. Mortgage Loans Facilities were reported at \$33.61M, a decrease of \$11.74M (25.89%) from the \$45.35M reported for the three (3) months ended 30th June 2020. The amount of \$20.66M was held in Cash and Cash Equivalents pending acquisition of Investment Securities.
- 2.2 On account of the additional \$95.04M¹ placed in interest income generating assets, Interest Income for the three (3) months ended 30th June 2021 was reported at \$4.43M and represents growth of \$0.71M (19.09%) when compared to the \$3.72M reported for the three (3) months ended 30th June 2020.

3.0 Gain on Sale of Financial Assets

- 3.1 The Bank continued the active management of its Investment Securities in FY 2022. For the three (3) months ended 30th June 2021, the Bank generated Gain on Sale of Financial Assets totaling \$1.12M and recorded \$1.97M in Other Gains from Investment Securities Reported Through Profit and Loss. In comparison (three (3) months ended 30th June 2020) Gains on Sale of Financial Assets totaled

¹ Increase in Equity investments of EC\$30.68M excluded.

\$2.15M with \$1.32M generated from Other Gains from Investment Securities Reported Through Profit and Loss.

4.0 Interest Expense

- 4.1 The Bank discontinued the pricing of its Borrowings via Competitive Bid Auctions and replaced same with Fixed Price Auctions. Other pertinent changes to the funding “Marketing Mix” included the issuance of Corporate Notes totaling \$30.00M to both corporate clients and retail investors at coupons of 2.70% and 3.00% respectively. The Bank’s revamped funding strategy contributed to a \$93.30M (33.15%) increase in Borrowings from \$281.44M for the three (3) months ended 30th June 2020 to \$374.74M for the three (3) months ended 30th June 2021.
- 4.2 As a result of the increased Borrowings, Interest Expense increased by \$0.69M (42.86%) from \$1.61M for three (3) months ended 30th June 2020 to \$2.30M for three (3) months ended 30th June 2021.

5.0 Net Interest Income

- 5.1 Net Interest Income or the difference between Interest Income (\$4.43M) and Interest Expense (\$2.30M) amounted to \$2.13M or 48.08% for the three (3) months ended 30th June 2021 and represents a decline of 8.64% when compared to 56.72% reported for the comparative period of FY 2020. The decline in Net Interest Income Percentage is attributed to higher Interest Expense and exacerbated by lower investment in income generating assets due to increased diversification to non-interest generating equity instruments.

6.0 Expenses

- 6.1 Higher equity management fees as well as the Bank’s subscription to Bloomberg database platform were largely responsible for the \$0.11M (20.75%) increase in General and Administrative Expenses from \$0.53M for the three (3) months ended 30th June 2020 to \$0.64M for the three (3) months ended 30th June 2021.
- 6.2 Other Operating Expenses decreased by \$0.09M (33.33%) from \$0.27M for the three (3) months ended 30th June 2020 to \$0.18M for the three (3) months ended 30th June 2021 due to lower bond transaction costs attributed to the issuance of the Bank’s instruments by private prospectus.

7.0 Net Profit for the Three (3) Months Ended 30th June 2021

- 7.1 ECHMB Capital reported a Net Profit for the three (3) months ended 30th June 2021 of \$4.38M and lower by \$0.35M (7.4%) when compared to \$4.73M reported for the comparative period of 2021.

- 7.2 The lower Net Profit was mainly attributed to lower Gains on Sale of Financial Assets totaling \$1.03M (47.91%) moderated by \$0.65M increase in Other Gains from Investment Securities Reported Through Profit and Loss. Gains and/or losses on the Bank's Investment Securities are contingent on the international money and capital market.

8.0 Capital Structure

- 8.1 In FY 2022, ECHMB's Borrowings increased by \$93.30M (33.15%) to \$374.74M. In addition, short-term Borrowings amounted to \$40.50M. During the period of the review, Total Equity increased by \$13.42M (18.84%) to \$84.64M. Due to higher Borrowings, the Bank's Debt-to-Equity Ratio increased from 4.39:1 for the three (3) months ended 30th June 2020 to 4.43:1 for the comparative period of 2021. Given the existing capital structure, the ECHMB has the capacity to increase its debt capital by \$302.38M (80.69%) before breaching its maximum Debt-to-Equity Ratio of 8.0:1.
- 8.2 The Board of Directors authorized the issuance of \$15.0M Callable Preference Shares. The Callable Preference Shares issue is expected to be fully subscribed.

9.0 Outlook Three Months Ending 30th September 2021

- 9.1 Covid-19 continues to adversely impact the economies of the Eastern Caribbean Currency Union ("ECCU") with the knock-on effect of stymieing growth in loans on the primary market. Further, sophisticated investors in the ECCU are generally reluctant to acquire non-investment grade financial instruments. This change in risk appetite may be spurred by IFRS 9 which requires entities to provide for expected credit losses on financial instruments. Given the above-mentioned conditions, financial intermediaries continue to report increasing liquidity in their statement of financial position.
- 9.2 The escalating liquidity in the ECCU has presented opportunities for ECHMB Capital to grow its statement of financial position. The cash inflows are likely to be invested on the international bond market.
- 9.3 Based on the performance of the international bond market and growth in the Bank's Assets Under Management, the assumption is made that the Bank will continue to deliver exceptional results in FY 2022.

Eastern Caribbean Home Mortgage Bank (Trading as ECHMB Capital)

Unaudited Statement of Financial Position

As at 30th June 2021

(expressed in Eastern Caribbean dollars)

	Unaudited June 2021	Unaudited June 2020	Audited March 2021
Assets	\$	\$	
Cash and cash equivalents	20,661,824	54,213,355	35,531,194
Receivables and prepayments	647,632	1,017,843	326,882
Other receivables	1,205,000	6,924,305	4,031,000
Investment securities	404,154,712	278,434,810	386,878,273
Mortgage loans facilities	33,607,063	45,354,377	34,188,854
Property and equipment	405,771	134,592	281,089
Intangible assets	-	6,549	-
Right of use assets	650,064	812,580	690,693
Total assets	461,332,066	386,898,411	461,927,985
Liabilities			
Borrowings	374,743,150	281,442,819	365,728,680
Other borrowed funds	-	31,050,000	24,570,000
Accrued expenses and other liabilities	1,283,711	2,364,112	1,723,955
Lease liabilities	664,773	822,259	704,588
Total liabilities	376,691,634	315,679,190	392,727,223
Equity			
Share capital - ordinary	36,999,940	36,999,940	36,999,940
Share capital - preference	1,500,000	-	-
Portfolio risk reserve	13,555,937	5,555,937	13,555,937
Unrealised holding gain (loss)	160,130	1,532,858	(11,415,857)
Retained earnings	32,424,425	27,130,486	30,060,742
Total equity	84,640,432	71,219,221	69,200,762
Total liabilities and equity	461,332,066	386,898,411	461,927,985

Eastern Caribbean Home Mortgage Bank

Trading as ECHMB Capital)

Unaudited Statement of Comprehensive Income for the month ended 30th June 2021

(Expressed in Eastern Caribbean dollars)

	Unaudited June 2021 \$	Unaudited June 2020 \$	Audited March 2021 \$
Interest income	4,434,989	3,723,129	16,106,192
Interest expense	(2,300,081)	(1,612,867)	(7,468,564)
Net interest income	2,134,908	2,110,262	8,637,628
Other income	-	30	61,446
Gain on sale of financial assets	1,123,668	2,147,732	13,340,590
Other gains (losses)	1,974,732	1,319,514	1,721,007
Operating income	5,233,308	5,577,538	23,760,671
Expenses			
General and administrative expenses	(641,264)	(532,921)	(3,935,086)
Other operating expenses	(184,721)	(275,885)	(933,836)
Mortgage administrative fees	(28,022)	(33,076)	(144,027)
Net impairment losses on financial assets	-	-	(1,732,826)
Total expenses	(854,007)	(841,882)	(6,745,775)
Net profit for the period	4,379,301	4,735,657	17,014,896
Other comprehensive income			
Changes in the fair value of investments at fair value through other comprehensive income	11,575,987	5,359,089	(7,589,626)
Other comprehensive gain (loss) for the period	11,575,987	5,359,089	(7,589,626)
Total comprehensive income for the period	15,955,288	10,094,746	9,425,270
Earnings per share	\$ 65.18	\$ 70.48	\$ 63.31

Eastern Caribbean Home Mortgage Bank

(Trading as ECHMB Capital)

Unaudited Statement of Changes in Equity

As at 30th June 2021

(expressed in Eastern Caribbean dollars)

	Share Capital Ordinary \$	Share Capital Preference \$	Portfolio Risk Reserve \$	Financial Assets at FVOCI Reserve \$	Retained earnings \$	Total \$
Balance at 31st March 2020	36,999,940	-	5,555,937	(3,826,231)	23,733,336	62,462,982
Other comprehensive income						
Net profit for the period	-	-	-	-	17,014,896	17,014,896
Transfer to reserves	-	-	8,000,000	-	(8,000,000)	-
Fair value movement of investments designated as FVTOCI	-	-	-	(7,589,626)	-	(7,589,626)
Transactions with owners	-	-	-	-	(2,687,490)	(2,687,490)
Balance at 31st March 2021	36,999,940	-	13,555,937	(11,415,857)	30,060,742	69,200,762
Other comprehensive income						
Net profit for the period	-	-	-	-	4,379,301	4,379,301
Issuance of share capital - preference shares	-	1,500,000	-	-	-	1,500,000
Transfer to reserves	-	-	-	-	-	-
Fair value movement of investments designated as FVTOCI	-	-	-	11,575,987	-	11,575,987
Transactions with owners	-	-	-	-	(2,015,618)	(2,015,618)
Balance at 30th June 2021	36,999,940	1,500,000	13,555,937	160,130	32,424,425	84,640,432

Eastern Caribbean Home Mortgage Bank
(Trading as ECHMB Capital)
Unaudited Statement of Cash Flows
For the month ended 30th June 2021

(expressed in Eastern Caribbean dollars)

	Unaudited June 2021	Unaudited June 2020	Audited March 2021
Net profit for the period	4,379,301	4,740,896	17,014,896
Items not affecting cash:			
Interest expense	2,300,081	1,612,867	7,468,564
Amortization of corporate paper issue and transaction costs	61,107	155,912	440,919
Amortisation of bond premium	313,404	179,523	915,167
Unrealised (gain) loss on FVTPL financial assets	(1,974,732)	(1,319,514)	(1,721,007)
Depreciation of property and equipment	23,372	13,006	64,097
Amortisation of intangible assets	-	2,456	9,004
Amortization of right of use of assets	40,629	40,629	162,516
Increase in provision for impairment on financial assets	-	-	1,732,826
Interest expense on lease liability	5,185	6,360	23,690
Gain on sale of motor vehicles and equipment	-	-	(50,833)
Interest Income	(4,434,989)	(3,721,424)	(16,106,192)
Operating loss before working capital changes	713,358	1,710,711	9,953,647
Changes in operating assets & liabilities			
(Increase)/decrease in accounts receivable & prepayments	2,505,250	(48,298)	3,535,965
Increase/(decrease) in other liabilities & payables	(440,244)	1,490,895	850,738
Cash from/(used in) operations before interest	2,778,364	3,153,308	14,340,350
Interest received	4,677,079	4,415,117	15,315,663
Interest paid	(2,436,779)	(1,857,448)	(6,841,842)
Net cash from operating activities	5,018,664	5,710,977	22,814,171
Cash flows from investing activities			
Proceeds from sales/maturity of financial assets	26,140,495	59,147,579	231,688,632
Proceeds from pool of mortgages repurchased by PL	-	-	11,568,298
Proceeds from sale of motor vehicles and equipment	-	-	70,000
Increase in mortgages repurchased and replaced	(21,353)	33,180	(688,271)
Proceeds from principal repayment on mortgages	603,144	708,641	2,469,647
Purchase of mortgages	-	-	(2,165,000)
Purchase of property and equipment	(148,055)	-	(216,755)
Purchase of investment securities	(30,571,708)	(56,983,703)	(350,877,016)
Net cash used in investing activities	(3,997,477)	2,905,697	(108,150,465)
Cash flows from financing activities			
Proceeds from borrowings	93,778,000	84,640,000	363,629,700
Proceeds from other borrowed funds	40,500,000	31,050,000	242,662,700
Repayment of borrowings	(84,640,000)	(71,785,000)	(267,446,700)
Repayment of other borrowed funds	(65,070,000)	(17,199,000)	(235,291,700)
Payment of corporate paper issue costs and transaction costs	(47,939)	(65,133)	(263,582)
Dividend paid	(1,865,618)	(1,243,745)	(2,487,490)
Proceeds from issuance of preference shares	1,500,000	-	-
Principal paid on lease liabilities	(39,815)	(38,640)	(156,310)
Interest paid on lease liability	(5,185)	(6,360)	(23,689)
Cash generated from financing activities	(15,890,557)	25,352,122	100,622,929
Net (decrease) / increase in cash and cash equivalents	(14,869,370)	33,968,796	15,286,635
Cash flow at beginning of period	35,531,194	20,244,559	20,244,559
Cash and cash equivalents at end of period	20,661,824	54,213,355	35,531,194