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INTEGRATED REPORT

Volume 1

Our Transformation Next Steps



Vol -1

Annual integrated report

ECHMB's strategic report

Corporate governance

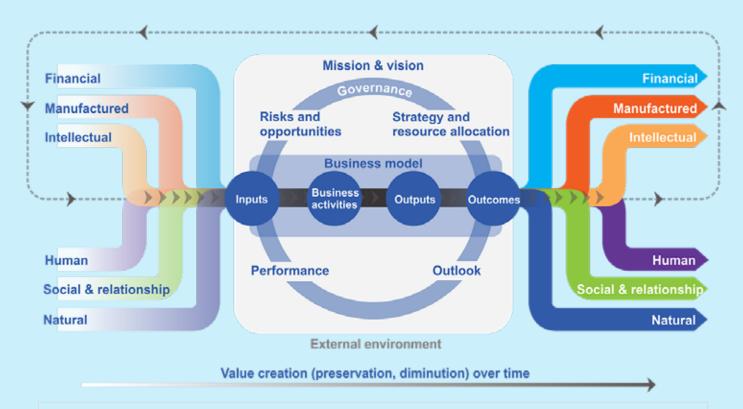
Review of performance

Corporate social responsibility

Vol-2

Annual audited financial statements

Integrated Reporting in the ECHMB



How to navigate this report

This report tells the story of value creation at the ECHMB in the short, medium and long term as here under:

- A description of who we are.
- A description of how we create value using our Business Model.
- An analysis of our Strategic Focus.
- Performance Review: Operating Environment Review, Financial Review, Business Review and Risk Management Review.
- Corporate governance at ECHMB.
- Annual Report and Audited Financial Statements for the year ended 31st March, 2020.

About this integrated report

At the ECHMB, we are guided by the principles of integrated reporting which have been key to our sustainable business model and have led to clarity in terms of long-term value creation for all our stakeholders. This report shows clearly and concisely how our strategic focus integrates with our six (6) types of capitals and matters that are material to the achievement of our vision. It also shows how we create and distribute value using our business model to our various stakeholders. The report indicates the strategic performance of the Bank, shows key indicators of our stakeholder engagement, key indicators of our business model and key financial performance indicators. Included in this report are our financial results for the year ended 31st March, 2020.

The scope of this report

This report covers the period from 1st April 2019 to 31st March 2020. We have referred to other periods for comparison purpose. We have included both financial and non-financial facets of our business in order to communicate how we create long-term stakeholder value through our strategic focus, our business model, employment of our six capitals, management of material matters, our stakeholder engagement, tracking of key financial indicators, enterprise risk management, and good corporate governance. The targeted readers of this report are our shareholders who need to make informed decisions for short, medium or long-term investment. This report is also meant for all our other stakeholders who include but are not limited to our customers, staff members, strategic partners, regulators, suppliers and the communities within which the Bank operates in.

Key concepts

- Integrated approach: At the ECHMB, we incorporate an integrated approach in all our decision making through the careful consideration of the relationship between our six capitals and core activities, in order to secure optimum value creation in the short, medium and long term.
- Capitals: These are our stocks of value which we use as inputs in our business model and are increased, decreased or transformed by our business activities to create output that eventually becomes economic, social and environmental outcome for our various stakeholders. We categorize our Capital as financial, human, manufactured, intellectual, social & relationship and natural capitals.
- Material matters: We consider matters that could substantively affect our ability to create value in the short, medium or long term. These matters are determined and managed through our material matters management process that is enterprise-wide.
- Value creation: This is an integrated process that shows how we turn our six capital inputs into short, medium- and long-term value for our stakeholders through our business activities.

Responsibility of the Board for the Bank's integrated report

This integrated report was approved by our Board of Directors on 7th August, 2020.

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Our Business

ECHMB's Transformation



It is change, continuing change, inevitable change, that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be.

- Herbert Otto

Major changes 2019-present

Repeal and replacement of the ECHMB Act 1995 with **ECHMB Capital Act**



New Marketing Mix



Restructured our business model including the active management - international investment portfolio



Implemented an eMarketing platform



Revamped functional structure



Developed a new and differentiated corporate identity for the Bank



New products launched

Redeemable preference shares



Mortgage credit facility



Repurchase agreements



Mortgage pledged loan

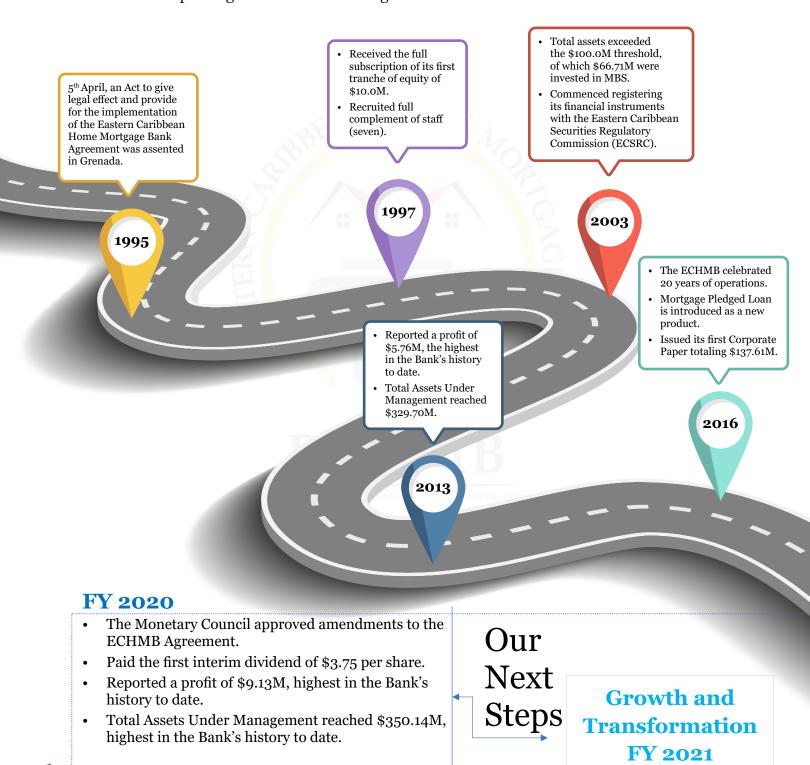


Corporate papers



Our History, Innovation and Leadership

Since incorporation in 1995 to opening its doors on 22ndApril 1996, the ECHMB has made indelible contributions to the development of the financial landscape of the Eastern Caribbean Currency Union ("ECCU"). After twenty-four (24) years of operations, the ECHMB remains steadfast in fulfilling its commitment to improving the standard of living of the citizens in the Member States of the ECCU.



Our Next Steps

Relaunch as **ECHMB Capital**



Business Process Reengineering

New

Markets



Strategies for Growth and Transformation

FY 2021



HR Capital Development



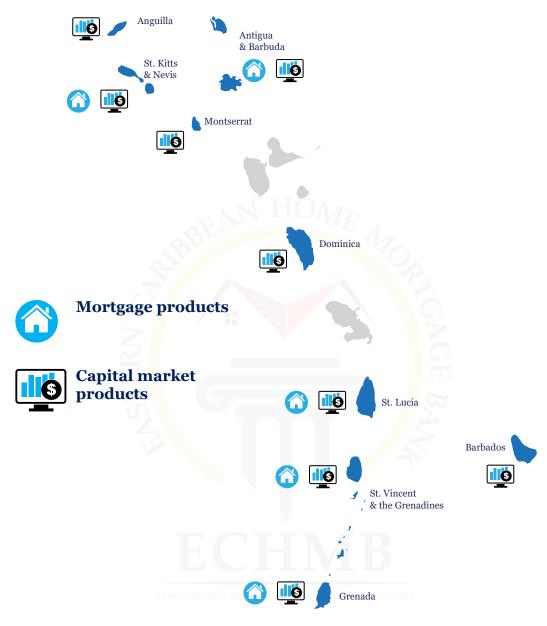
Social Media Platform



New **Products**



Putting the ECHMB into Context 1996-2020



Interest paid	Debt instruments			
\$162.90M	\$1,728.45M			
63 Shareholders				
Net profit for the year	Dividends paid			
\$66.91M	\$32.19M			
Book value per share	Shareholders' equity			
\$232.42	\$62.46M			

Our Key Business

Secondary Market



Our Business Activities

Provide liquidity to the primary market:

- · Commercial banks
- Building societies
- Credit unions
- Development banks
- Social security schemes

Capital Market



Provide investment opportunities to: -

- Corporates
- Individuals

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

Our Products

Existing Products

- Mortgage backed securities
- Mortgage pledged loans
- Mortgage credit facility
- Corporate bonds
- Commercial papers
- Repurchase agreements
- Mortgage underwriting education

New Product

• Redeemable preference shares

Capacity Building



Provide education in mortgage underwriting: -

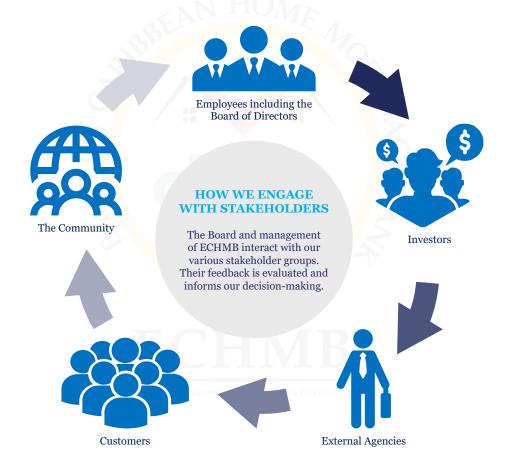
- Commercial banks
- Insurance companies
- Building societies
- Credit unions
- Social security schemes

Stakeholders

Our stakeholders are the individuals, groups of individuals or organisations who impact our business or are affected by our business. Our stakeholders include our employees, investors, primary lenders, mortgage underwriting participants, regulators, brokers, the civil society and communities within the Eastern Caribbean Currency Union.

We are committed to working with all of our stakeholders in order to understand their

expectations and interests so that the Bank can remain relevant given the changing dynamics of our external environment. We achieve this by establishing multiple mediums of communication through which our stakeholders can be informed and interact with us. It is for this very said reason that the Bank has embarked on the production of Annual Integrated Reports. We believe in ensuring that our operations remain sufficiently transparent, so that stakeholders have equal access to requisite information.





Employees

Including the Board of Directors

Our Employees' Interest

- → Job security
- → Fair remuneration
- → Skills development
- Career opportunities
- → Health benefits

Our Engagement Strategy

- Meetings
- → Hosting of employees' events
- Socials

Our Response

- → Training
- → Fair compensation
- > Pension and health benefits

Outcome

- → Highly skilled labour force
- > >88% staff retention in FY 2020
- → Continuous improvement to staff skillset through training
- → Congruence between the Bank's and employees' goals



Investors

- Shareholders
- Debt holders

Investors' Interest

- Improving financial performance accompanied with increased dividends/interest payments
- → Consistent growth in asset value
- → Effective corporate governance
- Transparency

Our Engagement Strategy

- Quarterly reporting
- → Timely publication of our annual integrated reports
- → Interactive and transparent Annual General Meetings

Our Response

- → Strong corporate governance structure
- Sound business strategies aimed at delivering growth and value
- Prudently managed statement of financial position

Outcome

- → High take-up rate of the Bank's debt instruments.
- → 100% retention of the Bank's equity capital
- → Growth in the Bank's book value per share
- Consistent dividend payments



External Agencies

• ECSE; ECSRC; CariCRIS

External Agencies' Interest

- → Compliance
- → Capital adequacy, profitability & liquidity
- Adequate risk management
- Growth

Our Engagement Strategy

→ Correspondences and other regular contacts

Our Response

- → Risk mitigation
- → Compliance with applicable rules and
- Good corporate citizen

Outcome

- Approval of prospectuses and offer memorandum
- Quarterly reporting
- Annual credit ratings



Customers

- Social securities
- Financial intermediaries
- Brokers/dealers
- Credit unions
- Households

Customers' Interest

- → Identification and provision of products to satisfy their prevailing demand
- Ensuring ECHMB's products are affordable and more accessible
- Ethical treatment
- → Value for money

Our Engagement Strategy

- → We provide the highest rated investment products in the ECCU.
- Changed our marketing mix to meet prevailing demand.
- → Developed databases to increase and improve communication with our target market.
- → Roadshows
- Offered higher coupons

Our Response

- Increased product range
- Increased distribution channels
- Increased return on products

Outcome

- → Increased demand for the Bank's products.
- → Increased customer engagement



The Community

- Corporate social partners
- Schools
- Not-for-profit organisations

The Community's Interest

- → Job creation
- Community development/good corporate citizen
- → Sponsorships/donations

Our Engagement Strategy

→ Improving our endeavour to be a good corporate citizen

Our Response

- → Created additional jobs
- → Mortgage underwriting courses
- Donation to needy citizens

Outcome

→ Improvement to the life of citizens in the ECCU





Our Strategy

Mission, Vision & Strategic Focus

The ECHMB is a dynamic financial institution, operating safely and profitably to develop the financial sector and mortgage industry in the Member States:

Mission



To be the premier vehicle for developing the financial sector and mortgage industry within the Member States, in a socially responsible manner and strive to become the employer of choice while ensuring safety and above market returns for the providers of capital.

Vision



The Bank aspires to be the principal financial intermediary for providing affordable and sustainable sources of housing finance to Primary Lenders, operating within the Member States and that its securities are investments of choice.

Our Strategic Focus

Risk Management Business Centric

Promote the highest standards in corporate governance and risk management

Innovative

Introduce new ideas and creative thinking to the capital market and mortgage industry.

Customer Centric

Understanding and fulfilling the capital market and housing needs.

Employee Centric

Attract, retain and develop the best talent.

Capital Centric

Promote the interest of providers of capital and other connected individuals.

Our Four Strategic Priorities FY 2020

Customer Acquisition

Why this is important

Grow the Bank's market share in the ECCU.

Key business objectives

Revamp the 4-Ps of the Bank's Marketing Mix.

Build ECHMB into a powerful brand.

Market research.

Customer Retention

Why this is important

Retain a loyal customer base.

Key business objectives

Increased customer interface.

Increase the availability and affordability of our products.

Enhanced customer experience.



Our Four Strategic Priorities FY 2020







Enhanced Risk Management

Why this is important

Minimise future impact of current actions.

Key business objectives

Ensure the Bank's ERM is vogue.

Automation of risk metrics.

Build a robust statement of financial position.

Restructure Internal Processes to Support our Strategic Initiatives

Why this is important

Ensure the Bank's systems, processes and HR Capital supports its strategic initiatives

Key business objectives

Restructured business model.

Rationalisation of HR Capital.

Repeal/replacement of the ECHMB Act.

Customer Acquisition

Our next steps in the Bank's transformation journey are to grow the Bank's market share by increasing ECHMB's visibility and brand identity.



Revamp the 4-Ps of the Bank's Marketing Mix.

Issuance of debt instruments by private prospectus as opposed to public

Fixed price -2.5% as opposed to competitive bid auction

Corporate paper as opposed to bonds

Direct interface with customers and eMarketing as opposed to subcontracting to external agents



Build ECHMB into a powerful brand.

New logo

Increased messaging and product propositioning

Memorabilia

New trading name which reflects the Bank's operations

New website



Market Research

Identification of changing patterns of demand in the ECCU market

Identification of new products and services

ECHMB

Customer Retention

Enhancing customers' experience with the ECHMB.



Increased customer interface

Enhanced products and improved services

Road shows

eMarketing

Mail shots

Social media



Increase the availability and affordability of our products

Product Reengineering

Increased auctions

Strategic pricing

Issuance of instruments by private prospectus



Enhanced customer experience

Investment grade credit ratings

No transaction fees

Zero default

Increasing the affordability/available of our products/services

Restructure Internal Processes to support Strategic Initiatives

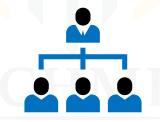


Restructured **Business Model**

Active management of the investment portfolio

Automation of systems and processes

External management of a portion of the investment portfolio



Rationalisation of HR Capital

New functional structure

Recruited a Treasury Officer

Recruited an Accountant

Redundancy of non-value added positions

New performance appraisals



Repeal/replacement of the ECHMB Act

ECHMB Act of 1995 with **ECHMB Capital Act**

Relaunch the Bank as **ECHMB** Capital

Enhanced Risk Management

Reducing future impact of current actions



Ensure the Bank's ERM is vogue

Implemented the latest IFRSs

Revision of the Bank's risk appetite statements to incorporate probable risks associated with the COVID-19 pandemic

Training in financial risk management

Attendance of seminars on risk management



Automation of risk metrics

Full automation of the eAMS software

Automation or risk registers



Build a robust statement of financial position

Ensure the allocation of assets is congruent with the Bank's policies and procedures

Maintain metrics within stipulated guidelines

Timely audits of the financial statements

ECHMB

TRANSCENDING BOUNDARIES, CREATING OPPORTUNITIES



Our Performance

FY 2020 Best Financial Year in the Bank's History

Summary of Financial Performance FY 2020



Reported Net Profit for the Year of \$9.13M highest in the Bank's history



Generated Other Income totaling \$5.12M highest in the Bank's history



Borrowings increased by \$62.66M (30.41%) to \$268.74M highest in the Bank's history



Investment Portfolio increased by \$59.05M (27.36%) to \$274.89M highest in the Bank's history

In FY 2020, the ECHMB reported Assets Under Management ("AUM") totaling \$350.14M, representing an increase of \$84.34M (31.73%) when compared to the \$265.80M outturn of FY 2019. The increase in AUM was financed by additional Borrowings totaling \$62.66M (30.41%), Other Borrowings totaling \$17.20M and supplemented by Equity totaling \$3.29M (5.56%). The Cash inflows were allocated to the Bank's principal income generating assets; this contributed to growth in Investment Securities and Mortgage Loan Facilities ("MLF") of \$59.05M and \$7.51M respectively. As at March

31st, 2020, the Bank retained an additional \$9.56M in Cash and Cash Equivalents.

Propelled by increased resources placed in income generating assets, Interest Income grew by \$1.22M (9.91%) from \$12.31M in FY 2019 to \$13.53M in FY 2020. In addition, due to the active management of Investment Securities, the Bank generated \$5.12M in Other Income. Based on the higher Total Income generated in FY 2020, Net Profit for the Year ("Net Profit") increased by \$3.82M (71.94%) from \$5.31M reported in FY 2019 to \$9.13M in FY 2020.

Record Growth FY 2020

Interest Income

\$13.53M

2019: \$12.31M

Highest Assets Under Management

\$350.14M

2019: \$265.80M

Net Interest Income

\$8.05M

2019: \$7.68M

Top Net Profit for the Year

\$9.13M

2019: \$5.31M

Fastest Balance Sheet Growth

31.73%

2019: 1.49%

Largest Investment Portfolio

\$274.89M

2019: \$215.84M

Record Returns

Earnings per share

\$33.98

2019: \$19.76

Book value per share

\$232.42

2019: \$220.18

Dividend per share

\$7.50

2019: \$7.50

Improved Asset Quality and Effective Financial Structure

Interest Cover

2.67

2019: 2.14

Debt-to-Equity Ratio

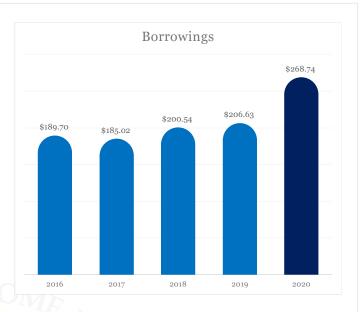
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2019: 3.48:1 Internal Limit: 8.0:1 Impairment/Total Assets

2.39%

2019: 3.21%

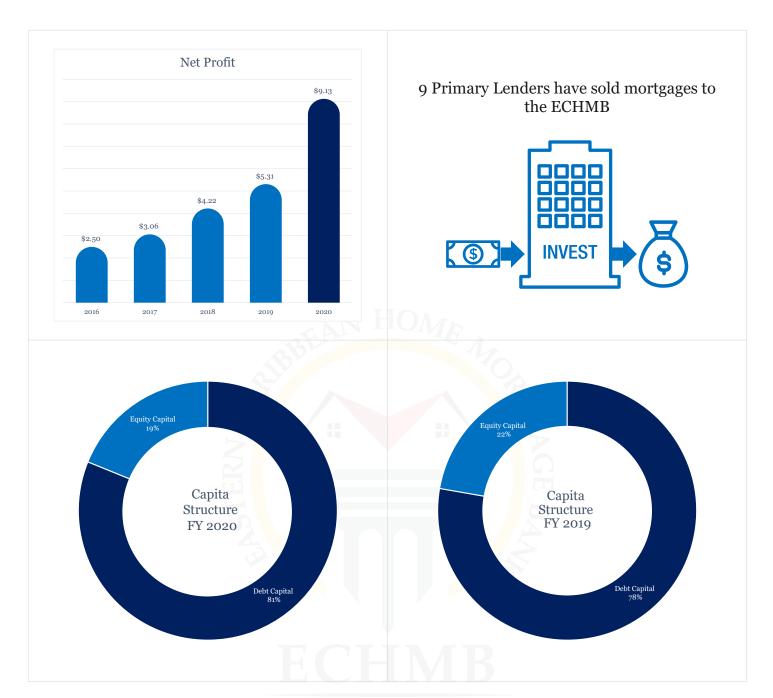






51 Corporates and Individuals have invested in ECHMB's Borrowings

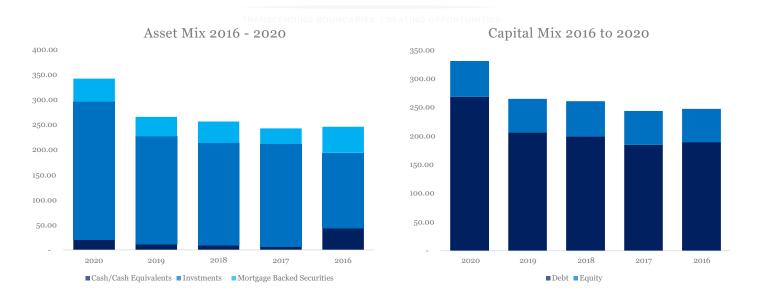




TRANSCENDING BOUNDARIES, CREATING OPPORTUNITIES

Five-Year Statistical Review

	2020	2019	2018	2017	2016
Profit and Loss Account	\$	\$	\$	\$	\$
Interest income	13,525,456	12,313,216	11,480,370	11,141,929	12,423,570
Interest expense	5,477,981	4,637,522	3,962,620	4,790,392	6,523,972
Net interest income	8,047,475	7,675,694	7,517,750	6,351,537	5,899,598
Other income	5,117,790	949,693	228,173	168,842	40,439
Other expenses	4,032,713	3,315,459	3,530,088	3,460,712	3,435,395
Net profit for the year	9,132,552	5,309,928	4,215,835	3,059,667	2,504,642
		HOLE			
Balance Sheet		TIOINE			
Total assets	350,137,718	265,802,954	261,901,801	244,172,894	247,817,342
Total liabilities	287,674,736	206,630,675	2 <mark>00</mark> ,543,931	185,015,241	189,703,738
Shareholders' equity	62,462,982	59,172,279	61,357,870	59,157,653	58,113,604
Key Financial Ratios					
Earnings per share	33.98	19.76	1 5.69	11.39	9.32
Book value per share	232.42	220.18	2 28.31	220.12	216.24
Net interest income	59.50%	62.39%	65.48%	57.01%	47.50%
Efficiency ratio	21.63%	25.00%	30.75%	31.06%	27.65%
Return on assets	2.61%	2.00%	1.61%	1.25%	1.01%



2.14

3.48:1

1.64

3.12:1

2.06

3.27:1

1.38

3.26:1

Interest cover

Debt-to-equity ratio

Measuring Our Strategic Progress FY 2020

Strategic Priorities FY 2020	What success looks like	How we performed
Customer Acquisition	 Average annual increase in the Bank's debt capital of \$15.0M. Reduce concentration risk to a single investee in the Bank's debt to less than 15.0%. Minimum of 12 auctions per annum. MBS portfolio to account for 20.0% of Assets Under Management. Increase individual participation in the Bank's debt capital to 1.0% of the total portfolio. Increase CRU Programme to a minimum of 30.0 participants per diet. 	 The Bank's debt capital increased by \$62.66M (30.41%) in FY 2020. Concentration risk to largest subscriber reduced to 12.65 % in FY 2020. 15 auctions were held in FY 2020. Resold mortgages totaling \$3.32M and Purchased mortgages of \$13.81M. Net increases in \$10.49M. MBS accounted for 13.17% of Assets Under Management Reinvestment rate in ECHMB corporate instruments averaged 90.0% Individual subscribers hold less than 0.1% of the Bank's debt capital.
Customer Retention	 90.0% retention of investors in the Bank's borrowings. Retention of a minimum of 85.0% of MBS portfolio 50.0% completion in the CRU programme per annum 	CRU Programme in FY 2020 averaged 25 participants

Strategic Priorities FY 2020

What success looks like

How we performed

Enhanced Risk Management



- · Ensure that risks are identified and managed to prevent adverse impact on the Bank's operations
- Annual assessment of the risk policy and system of accounting and internal controls to ensure continued relevance.
- Revised our ERM Policy to incorporate changing risks faced by the Bank.
- Implemented IFRSs 9 and 16
- Annual internal and external audits were undertaken within stipulated deadlines
- Impaired assets were 2.39% of Assets Under Management
- Maintained our investment grade credit rating at BBB+.
- Internal and Externals reports had no pervasive exceptions.

Restructure **Internal Processes** to Support the **Strategic Initiatives**



- Successful implementation of the work plan in FY 2020
- Implementation of an efficient and effective function structure
- Improved operating efficiencies of the Bank. (operating gearing)
- FY 2020 annual budget and work programme transmitted to the Board in February 2020 and implemented on 1st April, 2020.
- FY 2020 annual audit completed within the three (3) months statutory guideline.



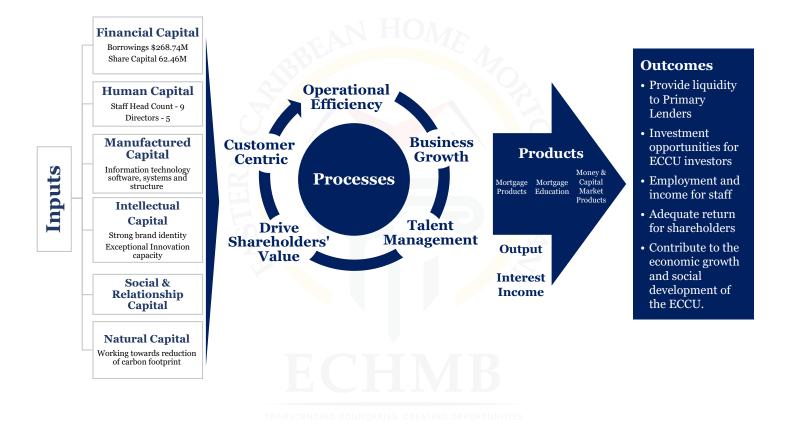
How We Create Value



Our Value-Creating Business Model

At ECHMB, value is created through our business model, which acquires inputs in the form of capital – financial, manufactured, intellectual, human, social and relationship, and natural

capital – and transforms it through our business activities and interactions to produce outputs and outcomes for the Bank, its stakeholders, society and the environment.



How ECHMB Creates Value Using the Model

Our Inputs

Stock of value which we use as inputs in our business model and are increased, decreased, or transformed by our business activities to create output



Financial Capital

- Debt capital \$268.74M
- Equity capital \$62.46M
- Credit ratings CariBBB+

Human Capital

- Employees 9
- Board of directors 5
- High performance management & reward culture
- · High impact leadership culture

Manufactured Capital

- Debt capital \$268.74M
- Equity capital \$62.46M

Intellectual Capital

- · Strong brand position
- Specialized talent
- · Enterprise risk management
- Strong corporate governance practices

Social & Relationship Capital

- Engagement with stakeholders
- Strategic partnerships
- Sustainability practices

Natural Capital

- Electricity
- Water
- Paper/Stationery

Our Value-Adding Activities

Activities that transform our Input Capitals into value for all our stakeholders.

These activities are impacted by external factors in our operating environment in the Eastern Caribbean Currency Union and are also affected by the global economic environment.

To carry out our activities optimally we carry out;

- Comprehensive Corporate Governance
- Integrated Enterprise Risk management
- Integrated Corporate Strategic Planning

In order to create value for our stakeholders:

We ensure that the Bank is adequately capitalized

to meet regulatory requirements, capital targets set by the Board, support our risk appetite as set out in our strategic goals.

We employ the best skills. We ensure that we have the right talent to offer the best experience for our stakeholders by ensuring we hire and retain the best.

We provide channels and infrastructure.

We provide adequate infrastructure for our stakeholders to access our services.

We employ our intellectual capabilities. We ensure that we are proactive in enterprise risk management, management of material matters, adequate policy framework to guide all our activities, we monitor our brand positioning and we are actively upgrading our specialized talent.

We maintain our relationships with our key **stakeholders** by ensuring that we engage them sufficiently, adequately address their expectations and appropriately respond to these expectations.

We make optimal use of the natural resources.

We engage in initiatives aimed at reducing the direct and indirect impacts of our operations. We do this through our operations digitization (Less paper, electricity, diesel, air travel), supplier selection criteria and our lending practices.

Key Outputs



securities

- - Mortgage pledged loans
 - · Mortgage credit facility
 - Corporate bonds
 - Commercial papers
 - Repurchase agreements
 - Redeemable preference shares
 - · Mortgage underwriting training
 - Staff training
 - · Risk management
 - Investor relations
 - Corporate strategy

The Outcome of Our Value Adding Activities	Key Impact on Our Stakeholders
Financial Capital	Shareholders
 Debt capital – \$268.74M Equity capital – \$62.46M Credit ratings – CariBBB+ 	 Interim and final dividends of \$7.50 per share Quarterly investor briefing Low risk balance sheet of \$350.14M Book value per share of \$232.42
Human Capital	
 Employees – 9 Board of directors – 5 High performance management & reward culture High impact leadership culture 	 Salaries and benefits – \$1.88M Invested in staff training
Manufactured Capital	
 Debt capital – \$268.74M Equity capital – \$62.46M 	• Interest expense \$5.48M
Intellectual Capital	
 Strong brand position Specialized talent Enterprise risk management Strong corporate governance practices 	Our partners have used the funding from the ECHMB to increase the housing stock in the ECCU
Social and Relationship Capital	
Engagement with stakeholdersStrategic partnershipsSustainability practices	Paid \$4.03M to local suppliers, including sonship and other charitable contributions
Natural Capital	
ElectricityWaterPaper/Stationery	Promoted economic and social sustainability
Our Products, services and by-products. Results of our value adding activities that will translate to outcomes for our stakeholders	Value creation for all our stakeholders as intended by our strategic focus

How We Determine Our Material Matters

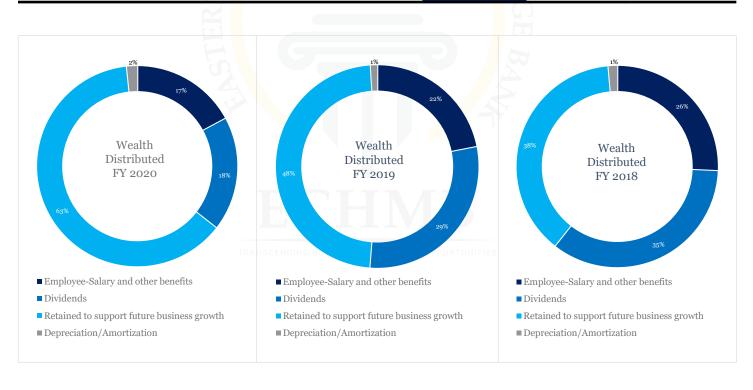
Material matters are those that have, or may have, an effect on the organisation's ability to create value. This is determined by considering their effects on the organisation's strategy, governance, performance or prospects. We consider a matter to be material to the Bank when it has, or could have, notable influence on our financial performance, reputation, impact on our ability to operate, or our overall sustainability.

Strategic Focus	Material Matters	Risks	Opportunities	Our Response
Customer Acquisition	 Increased market research Revamp the Marketing Mix Rebranding of the Bank 	 Increased rivalry with competitors Economic fallout from COVID-19 may discourage investments on the money and capital market. 	 Fund growth of the Bank. Enable the Bank to achieve one of its signature objective of increasing the volume of investment grade corporate instruments on the market. 	We have strategically responded to these risks and opportunities by: Recruitment of an experienced Treasury Officer with name recognition on the Money & Capital Market.
Customer Retention	 Minimum of 95.0% retention of existing customers. Enhanced customer experience and satisfaction 	 Unrealistic expectations on services Demand for innovative, convenient and affordable digital services. Unrealistic coupons 	 Incease the quality and variety of products and service offered. Improve the quality of the Bank's products/ services 	 Developed and launched new products. Increased our expenditure in marketing Increase the affordability and accessibility of our products. Rebranding the ECHMB Established digital marketing platform

Strategic Focus	Material Matters	Risks	Opportunities	Our Response
Enhanced Risk Management	 Minimise future impact of current actions Socially responsible corporate citizen 	 Increased operating expenses due to increased compliance. Stifle innovation. Impairment of assets. Reduction in the Bank's credit ratings. 	 Increase the Bank's profitability. Increase assets under management. 	We have strategically responded to these risks and opportunities by: • Implemented ERM. • Established credit lines with financial intermediaries. • Internal audit function is undertaken by independent contractors
Restructure Internal Processes to Support the Strategic Initiatives	 Increased operating efficiencies Enhance regulatory & compliance envionment Growth of assets under management 	 Automation is costly. Disruption in normal operations. 	 More innovative products/services Increased communication with target market. Lowered operating costs due to increased efficiency. 	We have strategically responded to these risks and opportunities by: • Implemented new functional structure • Implemented redundancies • Implemented a digital platform to interface with clients. • Automated manual processes

ECHMB's Value Added Statement

Value Added:	FY 2020	FY 2019	FY 2018
	\$'000	\$'000	\$'000
Income	18.65	13.26	11.71
Interest paid and cost of other services	(7.45)	(6.37)	(5.92)
Wealth created	11.20	6.89	5.79
Distribution of wealth			
NI HON			
Employee-Salary and other benefits	1.88	1.51	1.49
Dividends	2.02	2.02	2.02
Retained to support future business growth	7.11	3.29	2.20
Depreciation and amortization	0.19	0.07	0.08
Wealth Distributed	11.20	6.89	•79





Our Corporate Governance & Risk Management

Chairman's Statement



Mr. Timothy N.J. Antoine - Chairman

"In FY 2020, ECHMB generated record Net Profit for the Year of \$9.13M, which represents the highest profit reported by the Bank since commencement of operations in FY 1996. The Bank's financial outturn is particularly commendable given the adverse global economic impact of COVID-19 during the latter part of the financial year.

Our results in FY 2020 demonstrate that the ECHMB has the right assets, the right strategy and the right people to deliver sustainable value to our stakeholders."

Our Transformation

In my inaugural address in FY 2016 to the staff of the ECHMB, I quoted Jack Welch, "if the rate of change on the outside exceeds the rate of change on the inside, the end is in sight." My objective was to emphasize the importance of forecasting material changes in ECHMB's external environment in order to improve the speed of the Bank's strategic responses. We are fortunate that since FY 2016, the Bank's external environment has remained stable and in fact, provided useful tailwinds in the form of: -

- (i) a strong EC dollar;
- (ii) a solid, diversified and resilient financial system;
- (iii) an annual economic growth rate of approximately 3.00% in the ECCU; and
- (iv) political stability.

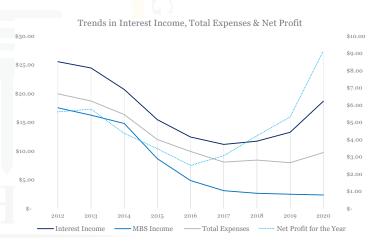
Given these favorable conditions, the ECHMB was confident that the transformation agenda outlined in its 2019 to 2021 Strategic Plan ("the Plan") would be successfully implemented.

The Plan was rolled out in three (3) phases: -

- Phase 1 Implemented in FY 2019, the Bank successfully reenergized its business model, streamlined its product portfolio and overhauled its IT infrastructure.
- Phase 2 Implemented in FY 2020, we increased our customer base by targeting new segments of the money and capital market in the Eastern Caribbean Currency Union ("ECCU") and improved our customer retention by enhancing their interface with the ECHMB.
- Phase 3 Scheduled to commence in FY 2021, our principal focus will be the relaunch of ECHMB as ECHMB Capital, introduction of new products, penetration of new markets and streamlining processes in an effort to improve the economy, efficiency and effectiveness of our day-to-day operations.

However, our most notable accomplishment of the Plan to date, is our emphasis on Enterprise Risk management. The ECHMB's philosophy may be summed up by the following quote: "If you don't invest in Risk Management, it doesn't matter what business you're in, it's a risky business!" The Bank has made significant strides in this aspect through diversification of its asset base, thereby reducing concentration risk by country, client base and product. As highlighted in the Table below, during the period FY 2012 to FY 2017, the Bank had both income and customer concentration risks to Mortgage Backed Securities ("MBS"). As a result, the Bank's Net Profit throughout the five-year period deteriorated as its income from the MBS declined.

From FY 2019, the ECHMB reported growth trends in both Income and Net Profit attributable to the diversification of our product portfolio, customer base and geographic distribution of assets.



Next Steps

I am proud to announce the Bank's strategic collaboration with the Eastern Caribbean Central Bank (ECCB), Eastern Caribbean Securities Regulatory Commission (ECSRC) and the Eastern Caribbean Securities Exchange (ECSE) under the project MCM 3.0. Although at its embryonic stages, I am deeply convinced that these partnerships are essential for the expansion of the Money and Capital Markets of the ECCU and to foster a regulatory environment whereby market participants can thrive. The ECHMB

continues to spearhead these developmental initiatives to spur wealth creation for the region's institutional investors while taking advantage of opportunities to finance our growth agenda. We have embarked on the following initiatives in an effort to improve our product propositioning and provide additional investment opportunities: -

- introduced new products including redeemable preference shares;
- replaced the pricing of our products by competitive bid auction with fixed price (minimum coupon of 2.5%);
- increased the availability of the Bank's product (minimum of twelve (12) issues per annum);
- enhanced the affordability of our products through the elimination of transaction fees;
- increased the accessibility of our products through the issuance by private prospectus; and
- increased public relation and dissemination of information.

I am pleased to report that the MCM has already responded positively to these initiatives and during the latter six (6) months of the FY 2020, the ECHMB increased its debt capital by \$62.66M (30.41%).

Looking ahead

The fallout from the coronavirus has led to a global recession, accompanied by ultralow interest rates, volatile financial markets and a deterioration in credit risk. While the ECHMB will be impacted, we enter this period from a position of strength and resilience.

We anticipate that the international money and capital markets will likely show signs of recovery by Q3 and Q4 of FY 2021 propelled by the efforts of central banks and governments' stimulus packages. Within the ECCU, the Bank remains committed to the economic recovery through its mandate to facilitate liquidity and support its regional partners. The ECHMB will continue to be dynamic in this challenging financial landscape. Our outlook for FY 2021 continues to be buoyant largely supported by the positive financial outturn in Q1.

Special Thanks

I wish to salute our hardworking CEO, management and staff for their commitment to ECHMB's success. To my colleagues at the Board of Directors, I express my gratitude for your tremendous support during FY 2020.

Finally, I thank our shareholders, for your continued confidence in the ECHMB team, vision and strategy.

Timothy N.J Antoine

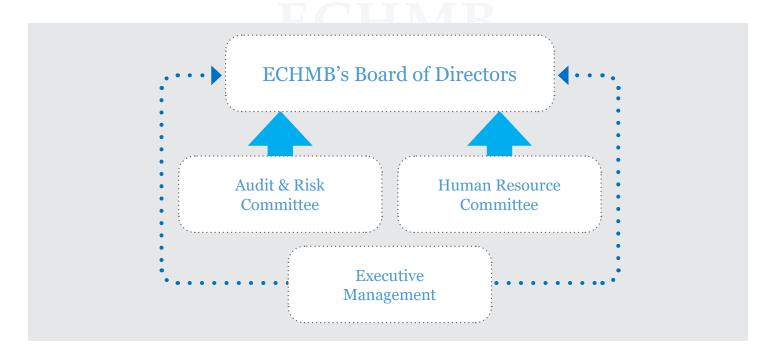
Corporate Governance



Board of Directors

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

in corporate governance in an effort to ensure that its procedures are in line with international best practice. The fundamental approach adopted is to ensure that the right executive leadership, corporate strategy, internal controls and risk management procedures are in place. Notwithstanding the aforesaid, the Board continuously reviews its governance model to ensure relevance and effectiveness as the Bank faces future challenges exacerbated by uncertain economic conditions.





Timothy N. J. Antoine Chairman Class A

Qualifications: Mr. Antoine holds a MSc Degree in Social Policy and Planning in Development Countries from the London School of Economics and a BSc Degree in Economics with Management from the University of the West Indies. He has also received training from the Small Countries **Financial Management** Centre in the Isle of Man and training in Negotiations at the Said International School of Business, Oxford University. He also has a Certificate in Project Cycle Management from the Caribbean Development Bank (CDB) and is a Chartered Director.

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

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

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

- Chairman, Grenada's Homegrown Programme Monitoring Committee
- Chairman, Grenada Authority for the Regulation of Financial Institutions
- Chairman, Investment Committee, Grenada National Insurance Board
- Chairman, Governance Reform Committee, Board of Directors, Caribbean Development Bank
- Director, Board of Directors, CARICOM Development Fund
- Director, Caribbean Catastrophe Risk Insurance Facility
- Chairman, ECCU Technical Core Committee on Insurance
- Chairman, Eastern Caribbean Securities Exchange

Mr. Antoine holds a MSc Degree in Social Policy and Planning in Development Countries from the London School of Economics and a BSc Degree in Economics with Management from the University of the West Indies. He has also received training from the Small Countries Financial Management Centre in the Isle of Man and training in Negotiations at the Said International School of Business, Oxford University. He also has a Certificate in Project Cycle Management from the Caribbean Development Bank (CDB). Other passions include: reading, music, speaking with youth and sports. Mr. Antoine is a man of deep faith. He has served as Chairman of the Board of the St George's Bible Holiness Church.

He is married to Charmaine Antoine née Rouse. They have two daughters: Chereece and Yaana.



Missi P. Henderson Director Class B

Qualifications: Mrs.
Henderson holds a BA in
Accounting, and an MSc in
Finance and Accounting with
the University of Liverpool.
She is an Accredited Director.

Mrs. Henderson was appointed to the Board of Directors in September 2014, representing Class B shareholders. Mrs. Henderson holds various certification in Finance, a BA in Accounting, and a MSc in Finance and Accounting (University of Liverpool) and is an Accredited Director.

Mrs. Henderson is employed with the Government of Dominica and currently serves as the Director of Public Affairs in the office of the Prime Minister. Prior to joining the office of the Prime Minister, she held the position of Chief Financial Officer at the Dominica Social Security Board for fifteen (15) years. Prior to joining the Dominica Social Security Board, Mrs. Henderson worked in the telecommunications industry for thirteen (13) years in senior finance roles which included the management of the Capital Efficiency Programme and the system support to sixteen (16) Cable & Wireless Business Units.

She also served on the Supervisory Committee of the Roseau Co-operative Credit Union (now National Cooperative Credit Union Ltd).



Peter BlanchardDirector Class C

Qualification: Mr. Blanchard is an Accredited Director.

Mr. Blanchard was appointed to the Board of Directors in November 2016, representing Class C shareholders. Mr. Blanchard, who was born in Antigua, is an insurance specialist. Since 1984, he has been the principal shareholder and Chairman of the Board of General Insurance Company Ltd, a locally-registered insurance company authorized to conduct business in Antigua and Barbuda. He has also been the Chairman of Design Properties Ltd., a property development management company since 1991.

He has served on various boards in Antigua and abroad, viz. the Board of the ACB Mortgage & Trust Company from its inception in 1987 until 2005. Mr. Blanchard was subsequently elevated to serve on the Board of Antigua Commercial Bank (ACB) on 5th May, 2005. In January 2007, he was once again appointed to the ACB Mortgage and Trust Board and was elected Chairman of that Board in October 2008. In February 2016, due to law regulations, Mr. Blanchard retired from the ACB Board where he had been Chairman of the Credit Committee from October 2008 – February 2016. In April 2016, he was re-appointed to the ACB Mortgage & Trust Company Ltd Board as a Non-ACB Director and since October 2016 has since been re-appointed as its Chairman.

During the period 2005-2006, Mr. Blanchard represented ACB and the other indigenous banks operating in the Organization of Eastern Caribbean States (OECS) group on the Board of Directors of the East Caribbean Financial Holding Company Ltd, a company which is based in Saint Lucia, West Indies. In 2006, Mr. Blanchard was appointed a Director of the Board of the Eastern Caribbean Securities Exchange located in St Kitts and in 2007, he was elected the Chairman of its Intermediary Development and Market Structure Committee.



Sharmaine François Director Class C

Qualifications: Mrs. François holds a B.Sc. in Accounting and Statistics from the University of the West Indies (UWI), and a Post Graduate Certificate in **Business Administration from** Manchester Business School, UK. She is an Accredited Director.

Ms. Francois was appointed to the Board of Directors in September 2014, representing Class C shareholders. Ms. Francois has completed several training courses in financial and investment planning, as well as financial counselling and has attended a wide range of training programmes in banking and financial management. Ms. Francois holds a B.Sc. in Accounting and Statistics from the University of the West Indies (UWI), a Post Graduate Certificate in Business Administration from Manchester Business School, UK, and is an Accredited Director, having completed the directors' programme with the Institute of Chartered Secretaries and Administrators (ISCA), Canada.

Ms. François has nineteen (19) years progressive senior executive experience in the field of Banking, twelve (12) of which were spent in investment banking and business development. Her varied experience covers retail and corporate banking, investment management, securities trading and underwriting, pension fund management and business development.

Ms. Francois is current the Chief Executive Office of the National Commercial Bank of Anguilla (NCBA). Prior to joining the NCBA, Ms. Francois held the position of Assistant General Manager at Bank of Montserrat.



Aylmer A. Irish Director Class D

Oualifications: Mr. Irish holds a BA (Hons) in accounting from the University of the Virgin Islands – St. Thomas and an MBA from the University of the West Indies – Cave Hill.

Mr. Irish was appointed to the Board of Directors in September 2018, representing Class D shareholders. Mr. Irish holds a BA (Hons) in accounting from the University of the Virgin Islands – St Thomas and an MBA from the University of the West Indies – Cave Hill. Mr. Irish has completed several training courses including a Certificate in Project Implementation & Management at the Caribbean Development Bank - Barbados.

Mr. Irish has in excess of twenty-seven (27) years progressive senior executive experience in the field of banking, accounting and finance and presently holds the position of Chief Executive Officer of the National Co-Operative Credit Union Limited in the Commonwealth of Dominica.

Board Charter

The Board is guided by its Charter and the Eastern Caribbean Home Mortgage Bank Agreement which provides references for directors in relation to their roles, powers, duties and functions. Apart from reflecting current best practices and applicable rules and regulations, the Charter and the Eastern Caribbean Home Mortgage Bank Agreement outline processes and procedures to ensure the effectiveness and efficiency of the Bank's Board and its Committees. The Charter is updated at regular intervals to reflect changes to the Bank's policies, procedures and processes, as well as, to incorporate amended relevant rules and regulations.

Roles and Responsibilities of the Board

It is the responsibility of the Board to periodically review and approve the overall strategies,

business, organisation and significant policies of the Bank. The Board also sets the Bank's core values and adopts proper standards to ensure that the Bank operates with integrity. The responsibilities of the Board include the following: -

- reviewing and approving the strategic business plans for the Bank;
- identifying and managing principal risks affecting the Bank;
- reviewing the adequacy and integrity of the Bank's internal controls' systems;
- approving the appointment and compensation of the Chief Executive Officer and Senior Management Staff;
- approving new policies pertaining to staff salaries and benefits; and
- approving changes to the corporate organization structure.

Focus areas FY 2020

Strategy

Implementation of the 2019 to 2021 Strategic plan

Global and regional trends shaping the financial industry

Risk Management

Oversight and monitoring of risk profile against risk appetite

Key risks impacting the Bank in FY 2020

Financial Performance

FY 2020 Operating Budget

Key performance indicators

Director Independence

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

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

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

Quality and Supply of Information to the Board

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

Corporate Secretary

The Corporate Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bank, as well as, to best practices of governance. She is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. All Directors have access to the advice and services of the Corporate Secretary.

Conflict of Interest

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

Structured Training Programme for Directors

Directors are expected to participate in the Directors Education & Accreditation Programme ("DEAP"). This is an advanced director training course, aimed at preparing directors for the important role that they play in the governance of the Bank. The DEAP was developed by the Institute of Chartered Secretaries and Administrators/Chartered Secretaries Canada (ICSA/CSC), in partnership with the law firm of Borden Ladner Gervais, and with contributions from AON Canada.

Board Attendance

Article 21 (section-1) -Meeting of the Board states, 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. Notwithstanding the provisions of Section-1 of this article, decisions may also be made by the Board otherwise than in meeting convened upon circulation of the relevant papers among members of the Board.

- the review of the External Auditors' 2020 management letter and report on the 2020 audit;
- the examination of the implications of changes to International Financial Reporting Standards; and
- the approval of the 2020 Internal Audit Plan, Internal Audit report, and monitoring of Management's implementation of Internal Auditors' recommendations.

	Share Class	Length of Service	AGM	Board of Directors	Audit & Risk Committee	Human Resource Committee
Number of Meetings		CEAN		4	1	1
Timothy N. J Antoine	A	4	1	4	_	_
Missi Henderson	В	6	0	1	1	0
Peter Blanchard		4	1	4	> 1	1
Sharmaine Francois	C	6	1	2	1	_
Aylmer A. Irish	D	2	1	9 4	g –	1

Audit and Risk Committee

The Audit and Risk Committee provides guidance on the Bank's systems of accounting and internal controls, thus ensuring the integrity of financial reporting. This Committee also serves as an effective liaison between Senior Management and the External Auditors. The Audit and Risk Committee approves and reviews risk appetite and risk management policies. The Board delegates the role of identifying, assessing and managing risk to Senior Management.

The 2020 activities of the Committee included:

- the review of the Bank's compliance with financial covenants;
- the approval of the 2020 audit engagement letter;
- the review and approval of the external audit plan and timetable;
- the evaluation of the performance of the External Auditors and approval of their remuneration;

ECHMB's Best Practice

- Since incorporation, ECHMB's Board of Directors has been chaired by a Non-executive Chairman to ensure independent leadership.
- Shareholders appoint directors every two
 (2) years in accordance with the Eastern
 Caribbean Home Mortgage Bank Agreement.
- The five (5) directors are non-executive and are required to declare their interests in any transaction that the ECHMB undertakes.
- Board Committees have the authority to retain independent advisors, as deemed necessary by each Committee.
- The Internal Audit function is undertaken by an independent contractor.
- The Audit Committee meets separately with the Internal Auditors.

Risk Management

ECHMB's enterprise risk management framework seeks to promote sound stewardship of the Bank and ensures a consistent approach to managing risks. We take a holistic and forward-looking view of risks by continuously assessing both current and emerging risks.

Risk Governance

ECHMB's Board of Directors guides the conduct of our affairs and provides sound leadership to the management team. The Board has delegated some of its authority to Board committees and management to enable them to oversee specific responsibilities based on clearly defined terms of reference.

ECHMB's Risk Management Framework

Top Down Development of 3-year Strategic plan and annual budget Definition of a Weighted Average Cost of Capital target **Board & Senior** Management • Definition of a Debt-to-Equity Ratio • Setting of top-down risk appetite and policy statement Establishment of concentration risk limits **Tactical Risk Management Activities Financial** Strategic Business **Bottom Up Analytical Risk** Development of 3- year Strategic plan and annual budget Management Definition of a Weighted Average Cost of Capital target

The Framework also details the Bank's risk governance structure and risk management processes. We have adopted a clearly articulated risk appetite that is closely tied to the strategic planning process from which the Bank's strategic and business plans are derived. The Bank's risk appetite statement considers various risk types and is operationalized via thresholds, policies and controls. Effective thresholds are essential in managing risks within acceptable levels.

The Framework enhances the Bank's risk management strategy by strengthening its internal control structure and corporate governance. In essence, the Framework not only facilitates the identification of the risks the Bank faces but sets the foundation for the development and application of adequate and efficient internal controls to ensure that sound and prudent risk management strategies are implemented.

- **The Board** governs the organization by broad policies and objectives. In addition, the Board:
 - Establishes the Bank's risk appetite;
 - Provides oversight and supports management by overseeing the facilitation and coordination of Enterprise Risk Management (ERM) and strategic planning activities across ECHMB; and
 - Reviews ECHMB's risk exposures to ensure that the policies implemented remain relevant and prudent.
- The Audit and Risk Committee (ARC) has oversight of the Bank's financial position and makes recommendations to the Board on all financial matters, risks, internal financial controls and compliance. In addition, the ARC:

- Monitors and reviews the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes;
- Reviews risk reports and discusses issues related to strategic, business, financial and other risk issues relative to established strategic risk targets;
- Reviews the independence and effectiveness of the Bank's external and internal audits;
- Obtains reasonable assurance that policies for significant risks are being adhered to through management reporting and periodic reports from the Internal Auditors.
- Senior Management is responsible for the effective performance of all the Bank's operations and the management of all risks and implementation of risk governance processes, standards, policies and frameworks. In addition, management:
 - Champions a risk management culture within the organization;
 - Ensures that the significant risks that may impact objectives are being consistently and continuously identified, assessed, managed, monitored and reported on;
 - Ensures an appropriate level of resources are allocated, in alignment with established risk appetite targets, for assessing and managing risks;
 - Develops and implements a risk management plan for the organization; and
 - Communicates relevant risk policies to employees and are effectively integrated in their daily operations

In the last three months of the 2020 financial year, the rapid spread and global reach of COVID-19 have illustrated the importance of implementing a forward-looking approach to risk management.

ECHMB's enterprise risk management framework seeks to promote sound stewardship of the Bank and ensures a consistent approach to managing risks. We take a holistic and forward-looking view of risks by continuously assessing both current and emerging risks. ECHMB's risk appetite statement is an integral part of the governance framework covering the Bank's strategy, business objectives, risk and financial management.

Risk appetite refers to the type and aggregate level of risk that the Bank is prepared to take on within the framework of its strategic objectives. It is one of the major considerations of the Board of Directors and Management in charting ECHMB's growth trajectory and devising related operating strategies. The Bank's risk appetite is determined, in particular, with reference to its financial and risk management policies, which reflect:

- A financing policy, consistent with the Bank's mandate, that combines responsible investment decisions and a prudent lending approach.
- A focus on maintaining low exposure to market risk.
- Strict management of exposure to operational risk.
- Consistent monitoring of the Bank's capital position.
- · Control of asset-liability management risks.

Risk management is an integral part of ECHMB's internal control system. The Bank implements the necessary resources to manage risks and maintain an appropriate alignment with risk appetite by leveraging the three lines of defense that participate in internal control: -



Although the occurrence, extent and unprecedented impact of the virus was unforeseen, the key takeaway is the need to include these types of scenarios in ECHMB's future strategic discussions given its effect on credit, market, liquidity and operational risks.

Risk Classification

ECHMB's business is influenced by many risk factors that are difficult to predict and may materially affect actual results.



Credit Risk Management

Credit risk is the most significant measurable risk faced by ECHMB. It is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. COVID-19 resulted in an unprecedented shock in economic activity regionally and internationally, which in turn contributed to elevated credit and liquidity risks in global markets and adversely affected the performance of Bank's portfolios in the last three months of the financial year as the level of uncertainty grew.

This high level of uncertainty also currently surrounds forward-looking information relevant to applying IFRS 9, particularly in the estimation of expected credit losses (ECLs). Consequently, in the determination of the ECL recognized in the Bank's financial statements, the ECHMB has:

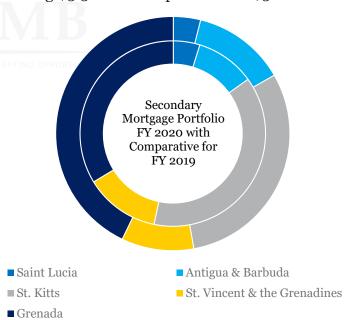
- Incorporated downward or negative short-term economic growth forecasts based on projections and scenarios published by reputable international bodies.
- Applied downward rating revisions made by international rating agencies following significant declines in performance. Higher probability of defaults were therefore used for

- corporates whose ratings were lowered by the end of the 2020 financial year.
- Payment moratoriums granted on a case-by-case basis to our Primary Lenders, in keeping with the decision by the Eastern Caribbean Central Bank (ECCB) and financial institutions to extend moratoriums on mortgage loans throughout the ECCU. The agreements to suspend payments to these lenders in the short-term did not automatically result in exposures moving from a 12-month ECL to a lifetime ECL measurement.

The environment in which we now operate is subject to rapid change. Updated facts and credit events will continue to be monitored and applied to our IFRS 9 provisioning as new information becomes available.

Mortgage Loans Portfolio

The secondary mortgage portfolio grew moderately during the year indicative of a pick-up in demand for mortgages in the primary mortgage market. This trend tapered off in February 2020, when the potential scale of COVID-19 came to head. Loans to institutional lenders increased by \$7.51m or 19.46%, which primarily reflected new loans totaling \$\$13.81m partly offset by principal payments of \$2.33m resale of mortgages to primary leners totaling \$3.32m and impairment of \$3.62m.



Consequently, our geographical exposure of the Bank's mortgage portfolio shifted.

Investment Portfolio

During FY 2019/20, risk reduction through diversification while capitalizing on opportunities in the regional and international markets continued to be the main focus of the Bank's investment strategy.

We also aim to minimize this risk by restricting our international exposures primarily in investment grade instruments and limiting total exposure per investee to 15.0% of total shareholders' equity. The credit quality of the portfolio is monitored continuously throughout the year.



Operational Risk Management

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

Key Issues					
Risk drivers	Risk drivers	Risk drivers			
Novel Coronavirus - Global Pandemic	Disruptions from natural disasters	Emergence of NBFIs as major players in the ECCU			
30.56 30.56		\$ III			
Impact	Impact	Impact			
 Disruptions in normal day-to-day activities and lower employee productivity associated with physical distancing and work-from-home orders Economic instability contributing to lower demand for secondary mortgages 	 Disruption of ECHMB's operations. Significant infrastructural damage and deterioration of asset quality of Primary Lender may lead to higher impairment. 	 Decline in traditional markets. Emergence of new target market. Higher risk assumed from growing exposure to Non-Bank Financial Intermediaries (NBFIs). 			
Mitigants	Mitigants	Mitigants			
 Revised business continuity plans and creation of work-from-home policy. Ongoing assessments of banking behavior and investor needs during this turbulent time. 	 Formalize business continuity plan. Invested in offsite backup and increase insurance coverage on property and equipment. Increase diversification of assets outside of the ECCU. 	 Target NBFIs to grow mortgage loans portfolio. Tailor eligibility assessments to NBFIs while limiting concentration per primary lender. 			

Key Issues (continued)				
Risk drivers	Risk drivers	Risk drivers		
New Entrants to the Money and Capital Market ("MCM") in the ECCU	Increased bargaining power of customers	Lackluster Secondary Mortgage Market		
Impact	Impact	Impact		
 ECHMB may be required to pay higher costs to attract funding due to increased competition. Increased expenditure on marketing and product propositioning. 	 Customers are demanding higher interest rates. Existing investors can divest instruments in the ECCU and switch resources to regional and international issuers. 	 Erosion of our traditional source of income. Greater reliance on the Money and Capital market to preserve profitability. 		
Mitigants	Mitigants	Mitigants		
 The Bank is working towards increasing its credit ratings. Adopted a new marketing strategy of increasing faceto-face contact with its target market. The Bank has changed its Marketing Mix for Borrowings. The Bank intends to seek symbiotic relationships with new entrants. 	 Continually and actively monitor the external environment in order to identify customer needs and anticipate competitive actions. Offer more attractive instruments on the Eastern Caribbean Securities Market (ECSM). 	 The Bank has switched its main emphasis to investing in fixed income instruments on the international capital market. The bank has commenced the active management of its investment portfolio. The Bank has targeted NBFIs to grow its mortgage loans portfolio. 		

Foreign exchange risk

Foreign exchange risk is the loss that the Bank may incur subsequent to adverse exchange rate fluctuations. It originates mainly from holding investments denominated in United States dollars. ECHMB's foreign exchange risk exposure is managed by a "natural currency hedge" in which the Bank's transactions are completed in the same currency.



Liquidity Risk Management

Liquidity risk represents the possibility that the Bank may not be able to gather sufficient cash resources when required and under reasonable conditions, to meet its financial obligations to debtholders and suppliers. The Bank's overall liquidity risk is managed by the Chief Financial Officer with oversight from the Board of Directors, in accordance with the Bank's Investment Policy Statement (the "Policy"). The main purpose of this Policy is to ensure that the Bank has sufficient cash resources to meet its current and future financial obligations, under both normal and stressed conditions.

Liquidity risk may be subdivided into two categories: -

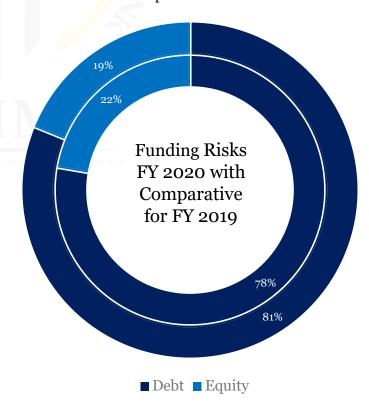
- 1. Trading Liquidity Risk
- 2. Funding Liquidity Risk

Trading Liquidity Risk

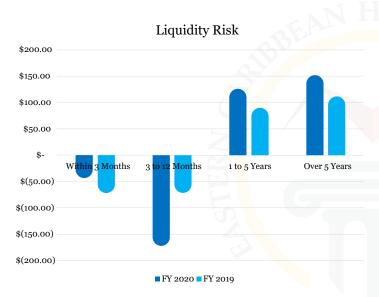
Trading Liquidity risk is the risk that an asset or investment cannot be sold within a reasonable amount of time at a fair price. The Bank manages this liquidity risk through maintaining a buffer at the Eastern Caribbean Central Bank, a credit line facility with Raymond James and holding international investments that are fairly liquid and can be easily traded. A cashflow forecast is prepared annually and reviewed monthly to keep abreast of the anticipated inflows and outflows. The bank has also established a policy in the event of a liquidity crisis.

Funding Liquidity Risk

Funding liquidity risk is the risk that creditors either withdraw credit or change the terms on which it is granted. Funding liquidity can be put at risk because the borrower's credit quality is, or at least perceived to be, deteriorating, but also because financial conditions on a whole are deteriorating. ECHMB's funding relates mainly to issuance of debt instruments on the Eastern Caribbean Securities Market and Shareholders' Equity. Debt instruments continue to be the Bank's principal source of funds and accounted for 81.0% of total capital in 2020.



This liquidity risk is managed through the diversification of debtholders and maintaining a high creditworthiness as reflected by our investment grade credit rating. Although not a statutory requirement, the ECHMB has also imposed an internal Debt-to-Equity Ratio limit of 8.0:1 to manage its funding. Management's objective is to maintain an adequate level of capital, in line with the Bank's risk appetite, to support the Bank's activities while producing an acceptable return for shareholders. During the 2020 financial year, the Bank reported a Debt-to-Equity Ratio of 4.58:1; ECHMB has the capacity to increase its debt capital by \$214.06m (74.88%) before breaching its guideline.



The negative liquidity gaps arise due to the Bank's strategy of funding its operations from corporate papers with a maximum tenor of 365 and the placement of investment and mortgage backed securities over tenors in excess of three (3) years in order to secure higher interest rates. The ECHMB mitigates the negative liquidity gaps by arranging a Revolving Credit Line.

Reputational Risk Management

Reputational risk is the risk that a decision, an event or a series of events may affect, either directly or indirectly, the Bank's image with shareholders, Primary Lenders, employees, the general public or any other stakeholders, and negatively impact the Bank's revenues, operations and, ultimately, its value.

Reputation is a critical asset that favours the ECHMB's growth as well as continued trust from Primary Lenders, debt holders and the general investing public, and which also optimizes the Bank's value for shareholders. At the ECHMB, reputation is considered a strategic resource. In order to protect the Bank from any impairment to its reputation, Management ensures that all other risks are adequately managed.

Report of the Directors

The Directors submit herewith the Statement of Income, Expenses, **Unappropriated Profits, Assets and** Liabilities of the Eastern Caribbean Home Mortgage Bank (ECHMB) for the year ended 31st March 2020.

Financial Results and Dividends

	\$'000
Net income attributed to shareholders	9,132
Dividends at \$7.50 per share for FY2020	(2,016)
Transfer to reserves	(1,423)
Net profit for the year after distributions	5,693
Retained earnings at beginning of the year	18,040
Retained earnings at end of the year	23,733

Dividends

Interim dividend payment An Interim Dividend of \$3.75 per share for the six (6) months ended 30th September 2018 to holders of Shares whose names are registered in the books of the Company at the close of business on 30th September 2018.

The dividend paid on 31st July 2019

Final dividend payment A final Dividend of \$3.75 per share for the six (6) months ended 31st March 2019 to holders of Shares whose names are registered in the books of the Company at the close of business on 31st March 2019.

The dividend paid on 4th October 2019

Substantial Interests in ECHMB's Share Capital as at 31, March 2020

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

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

Statement of Affairs

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

Re-election of Directors

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

The two (2) year term of the current Board of Directors expires at the 24th Annual General Meeting in 2020, and all Members are eligible for re-appointment.

None of the Directors hold shares in the Bank. No Director had, during the year or at the end of the year, any interest in any contract pertaining to the Bank's business.

Events Subsequent to Statement of Financial Position Date

The Directors are not aware of any transaction which has arisen since 31st March 2020 that has a material effect on the operations of the Bank and for which adequate disclosures have not been made in the financial statements.

Appointment of Auditors

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

At the 17th Annual General Meeting held on the 27th July 2012, the Board of Directors recommended that PriceWaterhouseCoopers, ("PwC") St. Kitts Branch be appointed as Auditor until the conclusion of the next Annual General Meeting.

The former PwC network members in Saint Lucia, Antigua and Saint Kitts and Nevis changed affiliation to Grant Thornton, effective 1st July, 2013. The Board of Directors proposed the appointment of Grant Thornton International as auditor of the ECHMB for the financial year ended 31st March 2014.

The partners of Grant Thornton International have been ECHMB's Auditors from FY 2013 and since good corporate governance recommends rotation at least after six (6) years, it was agreed at the Annual General Meeting in October 2019 that tenders should be invited from suitable qualified firms for the provision of audit services. After evaluation of the bids, it is recommended that KPMG, Antigua Branch, be appointed as Auditor until conclusion of the next Annual General Meeting.



Review of Operations

ECHMB FY 2020 Performance Highlights



Growth in Mortgage Loans Facilities

19.46%



Growth in Investment Securities

27.36%

\$18.65M

Operating Revenue



Growth in Borrowings

30.41%



Growth in Equity

5.56%

\$8.05M

Net Interest Income



Return on Shareholders' Equity

14.62%



Book Value Per Share

\$232.42

\$5.12M

Other Income



Dividend Per Share

\$7.50



Return on Assets Under Management

\$2.61%

\$9.13MNet Profit for the Year

Investment Performance and Outlook FY 2020

"It was the best of times; it was the worst of times!" This quotation from Charles Dickens on the French Revolution might well apply to the performance of the international money and capital markets during the period March 2019 to March 2020.

It was the year 2019...the best of times!

Riding the momentum of a bullish era, the equity and bond markets exceeded expectations in 2019. Global stock markets posted their best vear since 2013 reflected by returns of 25.2% on the MSCI World Index and 28.9% on the U.S.' S&P 500 Index. The euphoria extended to the bond markets with U.S. Investment Grade and Emerging Market bonds both registering returns of 13.0%. The quest for yield saw ballooned premiums and increased risk tolerance. Even within the Caribbean, capital markets became a hotspot for yield-starved international investors. Global Central banks outdid themselves; financial markets were on a high and investors were beyond thrilled. The ECHMB's Investment Portfolio benefited from these financial conditions as reflected by realized gains of EC\$6.05M.

It is the year 2020...the worst of times!

Following these impressive returns, the impetus continued into the year 2020 with indices hitting a high at the beginning of March. Shortly after, the world was confronted with the Coronavirus Pandemic, one of the greatest health threats of our generation that brought the global economy to a halt. Stay-at-home orders, business closures, supply chain disruptions, and travel restrictions weighed heavily on economic activity pushing the global economy towards a recession. Across

the world, financial markets plummeted into bear market territory as investors' jubilation turned into trepidation. As a result, the ECHMB recorded total losses (realized and unrealized) of EC\$4.78M as at March 31st, 2020.

Global Central Banks sprang into action in mid-March 2020, rolling out monetary policies to avert a systemic collapse. In the U.S., the Federal Reserve's swift and far-ranging response surpassed those it took during the global financial crisis of 2007-2008. The Federal Reserve extended and introduced new plans to pump US\$2.3 trillion into the economy while reducing rates to a range of 0%-0.25%. The European Central Bank also committed to injecting €870.0 billion into financial markets while providing an additional €3.0 trillion in liquidity at the lowest rate ever offered at -1.00%. These coordinated efforts helped stabilize financial markets and, as at 31st March 2020, both stock and bond markets had partially rebounded. However, these measures did not stop credit rating agencies, Moody's, S&P Global and Fitch, from slashing the ratings and outlooks of vulnerable corporates and countries. This unprecedented global event resulted in the fastest pace of downgrades in more than a decade.

Within the Caribbean, the sovereign ratings of Bahamas and Trinidad were downgraded while the outlooks for Aruba, Jamaica and Dominican Republic were revised from stable to negative. The governments of Dominica, Grenada and St Lucia sought assistance from the IMF under the Rapid Credit Facility Mechanism. Once the highlight of the Caribbean markets a year ago, and the fifth best performing stock market of 2019 with returns of 34.3%, the Jamaican stock market plunged by 24.5% as of March 31st, 2020. COVID-19's wrath was felt throughout the world!

Review of the Bank's Operations FY 2020

Major Changes to the Bank's Operations FY 2020

Active Management of the Investment Portfolio



Revamped Marketing Mix Borrowings



Engagement of an External Investment Manager



Diversified Borrowings ("Repos")



Significant Transactions FY 2020

- Commenced the active management of the investment portfolio and reported Other Income totaling \$5.12M.
- Acquired investments totaling \$204.03M.
- Sold and/or redeemed financial assets totaling \$138.95M
- Engaged Allianz for management of the Bank's investments portfolio reported through profit and loss.
- Altered the pricing of the Bank's corporate papers ("CP") from competitive bid auction to fixed price auction at 2.50%. This resulted in additional subscriptions totaling \$62.66M, an increase of 30.41%.

- Repaid matured Borrowings totaling \$201.10M.
- Completed the Launch of the Bank's inaugural Repurchase Agreement Programme and secured subscriptions totaling \$13.19M.
- Acquired Mortgage Loan Facilities ("MLF") totaling \$13.81M
- Sold MLF totaling \$3.32M.
- Implemented IFRS # 16 (Leases)
- Paid an inaugural interim dividend of \$3.75 per share and a final dividend of \$3.75 per share.

Interest Income

In FY 2020, the Bank's investment portfolio was reported at \$274.89M, representing growth of \$59.05M (27.36%) when compared to the \$215.84M reported in FY 2019. As a result of the additional \$59.05M placed therein, Interest Income increased from \$9.82M in FY 2019 to \$11.15M in FY 2020. The Bank also increased MLF by \$7.51M (19.46%) from \$38.59M in FY 2019 to \$46.10M in FY 2020. Notwithstanding the aforesaid, income generated from MLF continued to decline in FY 2020 and, was reported at \$2.37M compared to \$2.49M in FY 2019, due to the buy-back of higher yielding pools by primary lenders. Given the increase in Interest from investments, Total Interest Income increased from \$12.31M in FY 2019 to \$13.53M in FY 2020; representing growth of \$1.22M (9.91%).

The Bank also commenced the active management of Investment Securities. This enabled the realization of gains totaling \$6.05M from the disposal of investments reported through other comprehensive income ("OCI") which was offset by losses of \$0.95M from investments reported through the profit and loss ("through the P&L"). The net gains from the active management of Investment Securities (Other Gains) totaled \$5.13M in FY 2020. In comparison, Other Gains contributed \$0.92M to Total Income in FY 2019. Collectively, Interest Income and Other Gains generated Total Income of \$18.65M in FY 2020 compared to \$13.26M in FY 2019; representing an increase of \$5.39M (40.65%).

Interest Expense

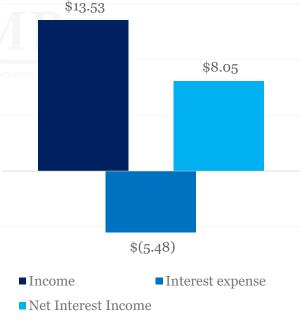
During the second half of FY 2020, the Bank took the decision to discontinue the pricing of its Borrowings via competitive bid auctions and replaced same with fixed price auctions (2.50% to 2.70%). Other pertinent changes to the issuance of its Borrowings included the issuance of instruments by private prospectus and the elimination of transaction fees. In addition, the Bank commenced the diversification of its Borrowings in FY 2020 with the issuance of its inaugural repurchase agreements programme totaling \$13.19M. These amendments contributed to a \$62.66M (30.41%) increase in Borrowings from \$206.08M in FY 2019 to \$268.74M in FY 2020. As a result of the increased Borrowings, Interest Expense increased by \$0.84m (18.10%) from \$4.64M in FY 2019 to \$5.48M in FY 2020.

Net Interest Income

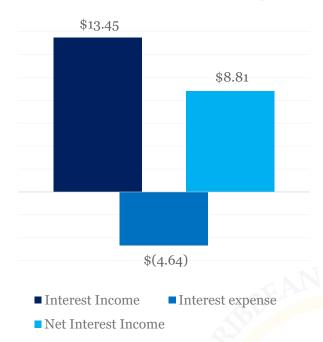
Net Interest Income or the difference between Interest Income (\$13.53M) and Interest Expense (\$5.48M) amounted to \$8.05M or 59.50% and represents a decline when compared to 62.39% reported for the comparative period of FY 2019. The decline in Net Interest Income Percentage is attributed to higher Interest Expense and the turnover rate of the Investment Portfolio due to the active management strategy.

Net Interest Income FY 2020





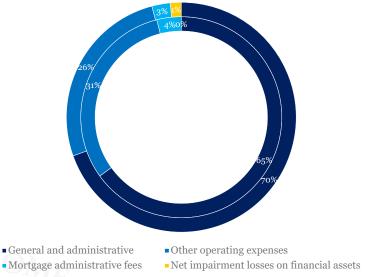
Net Interest Income FY 2019



Non-Interest Expenses

In FY 2020, major emphasis was placed on improving the ECHMB's brand recognition and awareness. This included the launch of the Bank's eMarketing platform and an extensive face-to-face marketing campaign in each of the eight (8) islands of the ECCU. In addition, the Bank recruited an officer with direct responsibility for customer interface and marketing of its financial instruments. Our increased marketing efforts were largely responsible for the \$0.64M (29.63%) increase in General and Administrative Expenses from \$2.16M in FY 2019 to \$2.80M in FY 2020. In addition, Net Impairment Losses on Financial Assets recorded an expense of \$0.06M in FY 2020, compared to a writeback of \$0.92M in FY 2019.

Expenses



Net Profit for the Year

In FY 2020, Net Profit for the Year ("Net Profit") increased by \$3.82M (71.94%) from \$5.31M reported in FY 2019 to \$9.13M in FY 2020. This represents the fourth consecutive year of growth. As a result of the higher reported Net Profit, Earnings-per-share increased from \$19.76 in FY 2019 to \$33.98 in FY 2020. Given the impact of the COVID-19 pandemic on the international money and capital market in March 2020, the Bank recorded a loss of \$3.83M on investment securities reported through OCI; as a result, Total Comprehensive Income for the Year was reported at \$5.31M.

Capital Structure

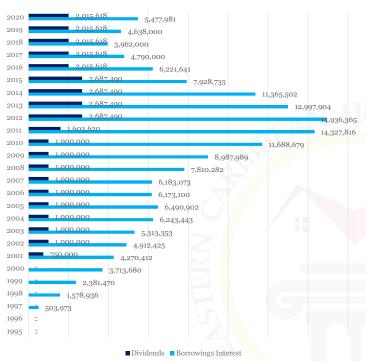
In FY 2020, ECHMB's Borrowings increased by \$62.66M (30.41%) to \$268.74M. Equity increased by \$3.29M (5.56%). Due to higher Borrowings, the Bank's Debt-to-Equity Ratio increased from 3.48:1 in FY 2019 to 4.58:1 in FY 2020. Given the existing capital structure, the ECHMB has the capacity to increase its debt capital by \$214.06M (74.88%) before breaching its maximum Debt-to-Equity Ratio of 8.0:1.

Shareholders' Return

The Bank increased its Debt-to-Equity Ratio from 3.48:1 in FY 2019 to 4.58:1 in FY 2020; however, on account of the efficient allocation of the additional debt capital, Interest Cover Ratio

improved from 2.14 times in FY 2019 to 2.67 times in FY 2020. Likewise, Return on Assets also improved from 2.0% in FY 2019 to 2.61% in FY 2020. In addition to the total dividends of \$7.50 per share paid in FY 2020, shareholders also benefited from capital appreciation of 5.56% since Book-Value-per-Share increased from \$220.18 in FY 2019 to \$232.42 in FY 2020.

Return to providers of capital 1995-2020



Outlook

The pandemic brought the darkest economic outlooks since the Great Depression with it. The IMF projects a sharp contraction in global growth of 3.0%, much worse than during the financial crisis 2007-2008. The World Bank

forecasts negative growth of 4.6% for the Latin America and Caribbean region. Within the ECCU, the ECCB anticipates a worst-case scenario of deceleration by 20.0%. While economic conditions within countries and regions are fluid due to the length and breadth of this pandemic, it is challenging to forecast the unforecastable. Even the prediction by IMF for a 'V' shaped recovery into 2021 vs a gradual 'U' shaped recovery seems quite debatable.

The ECHMB's response in such an unparalleled environment is one of great caution. At the end of the financial year, our investment portfolio had 56.0% exposure to developed economies and 44.0% exposure to emerging markets. The irrational rebound in developed financial markets without fully grasping the extent of the impact of COVID-19 is concerning. Are investors trading on optimism or realism? Without the extraordinary support extended to developed financial markets, our regional capital markets have been pricing in the economic shocks and harsh realities of the future as the premiums once enjoyed have quickly eroded.

Notwithstanding this, within recessionary troughs, there are always occasional bouts of market turmoil and numerous new debt issues which may present viable investment opportunities. The ECHMB is tasked with differentiating liquidity risk versus credit risk amidst selecting resilient issuers. Within heightened uncertainty, yield is secondary to safety and cash is always king! Risk management is key to navigating our investment portfolio through this crisis.



Building Sustainable Value

Sustainable Value

Use of a corporation's capital (tangible, intangible and natural) to create value and profit today, while ensuring the sustainability of its capital and value creation capability for the future.





Building Sustainable Value in the ECHMB

As the premier indigenous wealth generating institution in the Eastern Caribbean Currency Union ("ECCU"), our sustainability agenda is founded on our aim to enhance financial inclusion and help citizens achieve their ambitions by fulfilling their financial services needs in a responsible and sustainable manner.

The Bank enables our citizens, businesses and society in general to grow in a way that is sustainable in the long-term. Our stakeholders expect the Bank to demonstrate its social and ecological impact. We try to achieve this by ensuring that our operations have benign impact on the ECCU's ecological integrity.

The Bank's sustainability strategy is integrated in our business model and consists of the following three (3) dimensions: -

- Economic Growth;
- · Social Responsibility; and
- · Environmental Stewardship.

Our sustainability approach aims to balance social, economic and environmental risks and opportunities through the deliberate use of our products and services, collaboration and partnership, and by managing our own impact.

ECHMB's Sustainability Strategy

Socio-Economic

- ECCU economic impact
- Taxes
- Business ethics
- Attracting & retaining staff
- Staff development & career progression

Transformation Agenda

- Strong balance sheet
- Strong profitability growth
- Product stewardship

ECO-Efficiency

- Resource efficiency
- Life cycle analysis

Economic Growth

Environmental Stewardship

Corporate Governance Sustainability

Social Responsibility

Employee diversity

- Employee welfare
- People with disabilities policy
- Labour standards
- Community interface

Social environment

- Health & safety
- Global climate change
- ECCU environmental impact
- Resource management
- Waste minimization
- Regulatory compliance

The ECHMB as a Good Corporate Citizen

We have undertaken several initiatives which are designed to increase our accountability and transparency to our stakeholders.

Annual Integrated Reporting

We were among the pioneers in the Eastern Caribbean Currency Union ("ECCU") to publish an Annual Integrated Report ("AIR"); this has provided our external stakeholders with concise communication about how the Bank's strategy, governance, performance and prospects led to the creation of value during FY 2020.

Credit Ratings

We are the only corporate in the ECCU to undertake and publish annual credit ratings. In FY2019, the Caribbean Information and Credit Rating Services Limited (CariCRIS) reaffirmed the ratings assigned to the USD 30 million debt issue of ECHMB of CariBBB+ on the regional rating scale (Foreign and Local Currency Ratings). These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean, is **adequate**. CariCRIS has also maintained a **stable** outlook on our ratings. The stable outlook is based on their expectation that ECHMB will continue to display comfortable profitability and capitalization levels over the next 12 months as the Bank fully transitions into its new business model.

Listing of Capital Market Products

We have also opted to list our Capital Market Products on the Eastern Caribbean Securities Market. This means that we are required to abide with the regulations of the Eastern Caribbean Securities Regulatory Commission and are obligated to file interim financial statements and make requisite disclosures of material changes in the Bank's operations.

Interactive Annual General Meetings

We have endeavored to make our Annual General Meetings ("AGM") more interactive and this forum has availed the opportunity for shareholders to communicate with the executive management team of the Bank. Our AIR has therefore emerged as a complement to our AGM since shareholders have a better opportunity to garner information on the operations of the Bank.

Improving the Quality of Mortgage Underwriting in the ECCU

Since one of the principal mandates of the Bank is the development of the housing stock in the ECCU, the ECHMB holds the view that we must advocate adherence to proper building codes. Our Annual Mortgage Underwriting Programmes have therefore served as a useful platform to remind financial intermediaries of the significant oversight role they must play in insisting that the populace safeguard what is often regarded as the most important investment in their lifetime.

Rating History TRANSCENDING BOUNDARIES, CREATING OPPORTUNITIES					
Date	Foreign Currency	Local Currency	Instrument/Remarks		
June 22, 2018	CariBB+	CariBB+	USD 30 million Debt Issue		
June 30, 2015***	CariBB+	CariBB+	USD 30 million Debt Issue		
June 9,2014	CariA	CariA	USD 30 million Debt Issue		
March 31,2010**	CariAA-	CariAA-	USD 30 million Debt Issue		
February 11,2008*	CariAA	CariAA	USD 30 million Debt Issue		

^{*} Initial rating assigned

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

^{***} Rating reaffirmed on June 14, 2016 and June 22, 2018















Human Capital

















Executive Management

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

The Team



Randy R Lewis Chief Executive Officer

Mr. Lewis was appointed Chief Executive Officer on the 1st May 2015. A citizen of Grenada, Mr. Lewis is an Associate of the Institute of Chartered Accountants in England and Wales; Fellow of the Association of Chartered Certified Accountants (ACCA): Associate of the Chartered Institute of Management Accountants (retired): and obtained his MBA from the University of Derby.

He attended the Oxford University Strategic Leadership Programme and, in 2011, he received the Accredited Director designation from the Institute of Chartered Secretaries and Administrators (ICSA). He has more than 26 years' experience in the banking, retailing, manufacturing and financial services industries.

Prior to his appointment as Chief Executive Officer, he held the positions of Manager, Corporate Finance and Chief Financial Officer. Mr. Lewis joined the Bank in 2006.



Heidi HypoliteChief Financial Officer

Ms. Hypolite joined the ECHMB family in May 2019 and assumed the position of Chief Financial Officer. Ms. Hypolite is a Fellow of the Association of Chartered Certified Accountants and the holder of an MBA from the University of Leicester, UK.

With over 17 years' experience in the audit and accounting field, she oversees and executes the financial operations of the ECHMB. Ms. Hypolite has an unwavering commitment to being an effective team leader while working for the benefit of all stakeholders, particularly our regional investors.



Ava BecklesChief Investment Officer

Ms. Beckles joined the ECHMB family in November 2016 and assumed the position of Chief Investment Officer. Ms. Beckles holds the Chartered Financial Analyst (CFA) accreditation, as well as a B.Sc. in Actuarial Science, and is currently pursuing the Financial Risk Manager (FRM) accreditation.

She has 10 years' experience in the investment industry and leads the Investment Management function of the ECHMB. Ms. Beckles is passionate about Investments and the critical role it plays towards realizing the ECHMB's strategic vision. She is an advocate for the integration of our Regional Capital Markets.



Justin Skeete Systems Officer

Mr. Skeete joined the ECHMB family in January 2012 and assumed the position of Systems Officer. He is a Microsoft Certified Professional (MCP) with over 15 years of Financial Information Systems experience. Mr. Skeete is responsible for the unique architecture, implementation, design and development of the IT infrastructure, essentially contributing to the Bank's optimal automation and efficiency performance.

Mr. Skeete is also the primary point of culpability for the value and efficacy of the institution's inimitable software applications and continues to lead the Bank's path forward in digital transformation initiatives. He is a strong advocate of implementing strategic IT roadmaps that align with and support business process improvements, innovation, and organizational growth.



Sheena Regis Investment Analyst

Ms. Regis joined the ECHMB family in July 2018 and assumed the position of Investment Analyst. Ms. Regis is a Chartered Accountant (ACCA) and is currently pursuing the Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM) accreditations.

Ms. Regis has eight years' experience in the Investment industry and plays a pivotal role in the Investment and Risk Functions of the Bank. Ms. Regis' ultimate professional goal is to contribute her skills and expertise to the development of the ECHMB and capital market of the ECCU.



Shaka St. Ange Treasury Officer

Mr. St. Ange joined the ECHMB family in February 2020 and assumed the role of Treasury Officer. He holds a bachelor's degree in Business Administration and has successfully operated in the ECCU's Capital Market, Banking and Investment Industries over the past 10 years.

As we strive to solidify our position as the premier non-bank financial institution in the ECCU, Mr. St Ange's role is focused on expanding our regional footprint through the development of strategic relationships. He continues to use his expertise to contribute to a vibrant, competitive and attractive ECCU Capital Market.



Jacob Wilson Accountant

Mr. Wilson has twelve years Banking experience and is an affiliate of the Chartered Association of Certified Accountants ("ACCA") as of October 2019.

Mr. Wilson is tasked with ensuring the Bank's records accords with International Financial Reporting Standards and assist in the preparation of timely management information.



Jewel Wattley Executive Assistant/H R Officer

Ms. Jewel Wattley joined the ECHMB family in December 2019 and assumed the position of Executive Assistant/ Human Resource Officer. Ms. Wattley holds a bachelor's degree in Business Administration and has worked as a Human Resource professional in the banking industry for 8 years.

Ms. Wattley ensures that the overall administration, coordination and evaluation of the human resources' plans are realized whilst providing tremendous support to the office of the CEO. She is committed to driving the productivity of the ECHMB through the efficient deployment and the continued development of the Bank's most precious resource – Our Staff.



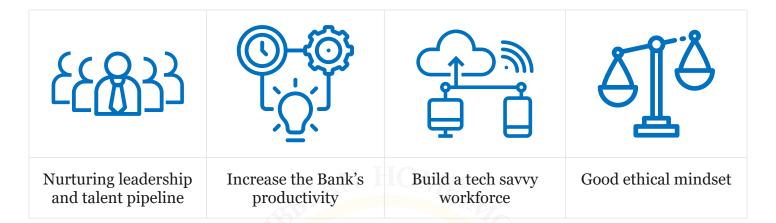
Sanginee Rattan **Accounting Officer**

Ms. Sanginee Rattan is the longest serving member of the ECHMB family. Her twenty years of dedication to the Bank can be demonstrated through her tireless efforts in the Administrative. Accounting and Mortgage departments.

Ms. Rattan serves in many ways as the backbone of our office. She aims to advance the company's mission of providing excellent service to our external stakeholders.

Human Capital Strategic Objectives

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



Top Highlights in FY2020





Phase II Building, ECCB Complex Bird Rock Road, Basseterre St. Kitts, West Indies (869) 466-7869