EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

REPORT ON THE STATUS OF THE OPERATIONS OF THE EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

April 1, 2025 - September 30, 2025

Prepared For:

THE 113th MEETING OF THE MONETARY COUNCIL

Prepared By:

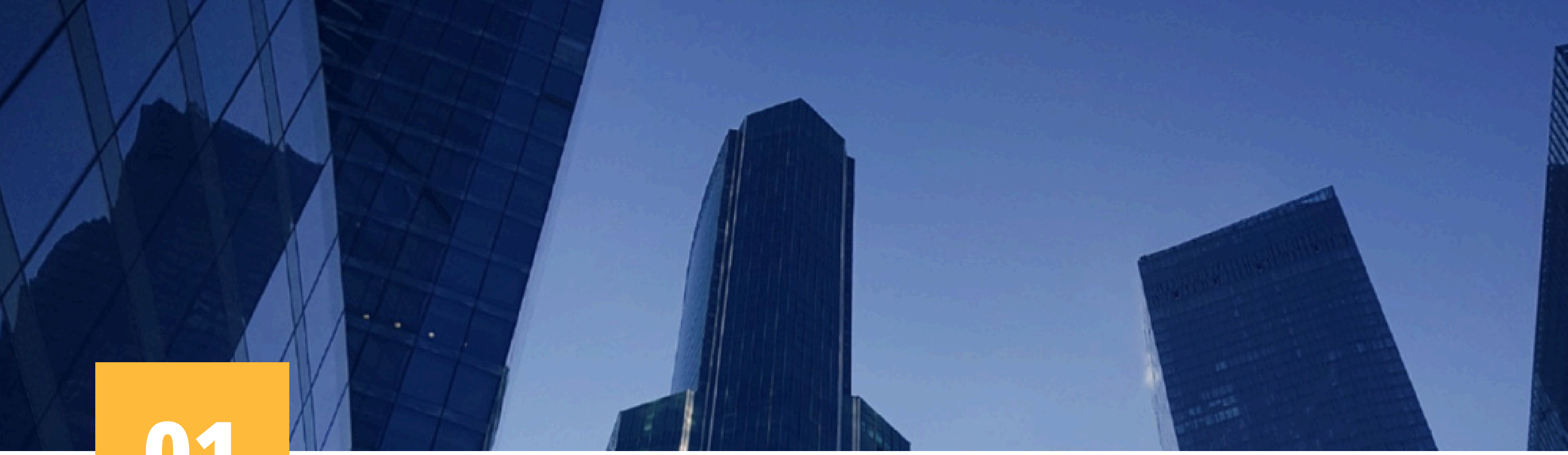
Aiandra E. Knights
Chief Executive Officer
Eastern Caribbean Asset Management Corporation

January 31, 2026

www.ec-amc.com

Table of Contents

****All sums included in this Report are expressed in Eastern Caribbean Currency*



01

Summary of Action Required

The Monetary Council is requested to consider and approve/accept the following:

1. The ECAMC's 2025 External Audit Report, comprising:
   (a) The audited financial statements for the year ended March 31, 2025; and

   (b) The Agreed Upon Procedures Report for the year ended March 31, 2025.

2. The appointment of Mr. John Skerritt, Director representing the Government of Montserrat, as Chairman of the Board of Directors of the Eastern Caribbean Asset Management Corporation, with effect from February 12, 2026, as recommended by the Board of Directors at its meeting held on November 20, 2025.

****All sums included in this Report are expressed in Eastern Caribbean Currency.****

Note on Reporting Period: This report covers two quarters (Q1 and Q2 of FY 2025-2026) in accordance with Article 87 of the ECAMC Agreement, which requires quarterly reports to be prepared and laid before the Monetary Council. The consolidation of two quarters into a single report has been necessitated by the timing of Monetary Council meetings, which are convened three times annually. This approach is intended to close the reporting gap and ensure the Council receives comprehensive and current information on the Corporation's operations.

02 ASSET MANAGEMENT FUNCTION

FINANCIAL POSITION

Year-to-Date Performance (April – September 2025)
For the six-month period ended September 30, 2025, the Corporation recorded a net loss of $1.135 million, representing a negative budget variance of $999K. This performance reflects the structural challenges facing the Corporation, particularly in executing anticipated asset dispositions and completing new acquisitions.

1.135M **YTD NET LOSS**	**1.55M** **OPERATING EXPENSES**
$36.3M **TOTAL ASSETS**	**$415K** **TOTAL REVENUE**

Revenue Performance
Year-to-date revenues totalled $415,394, falling short of the budgeted $1.88 million by $1.47 million (78%). This substantial underperformance stemmed from:

- Unrealized fair value gains of $841,546 from the anticipated restructuring of the Ania Georgeos facilities
- Anticipated fair value gains of $272,316 and interest income of $100,318 on the settlement of the Care Services Ltd. loan, delayed due to a judicial hypothec registered by Republic Bank
- Anticipated gain of $126,874 on the sale of the Matthias Rene Samuel restructured loan, pending the debtor securing financing

02

ASSET MANAGEMENT FUNCTION

Operating Expense Management

Despite revenue challenges, management demonstrated strong fiscal discipline. Operating expenses for the year-to-date totalled $1.55 million, achieving a positive budget variance of $468K (23% below budget). This reflects continued cost control across professional fees, consultancy costs, and deferred acquisition activities.

Balance Sheet Analysis

As at September 30, 2025, the Corporation maintained a solid financial position:

Assets (Total: $36.30M)

- Cash at Banks: $2.09M
- Investments: $15.60 million (including investments with BOSL Fund Management Corporation in US dollar-denominated Treasury Bills)
- Loans Receivable (net): $18.06M
- Total Liabilities: $1.37M
- Shareholders’ Equity: $34.93M

Financial Indicators

The Corporation's key financial indicators remained within prudential requirements:

Liquidity Coverage Ratio	**157%** (Exceeding 120% Threshold)
Capital Adequacy Ratio	**111%** Significantly above 2% Regulatory Minimum)
Loans to Asset Ratio	**50%** (Below the maximum 85%)

The ECAMC's management accounts as at September 30, 2025, are presented herewith for consideration and marked as ***Appendix I*****.**

03 NONPERFORMING LOAN ("NPL") ACQUISITIONS AND MANAGEMENT

Portfolio Overview

ECAMC continued to advance its core mandate of acquiring and resolving distressed financial assets during the reporting period. As at September 30, 2025, the Corporation managed non-performing loans acquired from six Approved Financial Institutions (AFIs), with significant expansion achieved through new acquisitions.

Antigua Commercial Bank (ACB) Acquisition

In August 2025, ECAMC successfully closed its first acquisition in Antigua, marking strategic entry into this market. The transaction comprised two well-collateralized assets – the Frederick Chandler Service Station and Wind Chimes Inn – acquired for a combined purchase price of $1,109,365. The closing deposit of $721,087 (65% of the purchase price) was paid on August 22, 2025, with final settlement of $388,278 pending completion of due diligence requirements including confirmation of insurance coverage and completion of property surveys.

Asset Resolution Activities

During the reporting period, notable resolution activities included:

- *Cane Grove Property (St. Vincent):* Sale completed for $600,000
- *Habitat Terrace (St. Lucia):* Tender process was launched in October 2025
- *Ania & Michel Georgeos*: Debtors accepted the Final Quick Recovery Offer of $1.745 million; the deadline for settlement was set for December 2, 2025
- *Atlantique View Resort & Spa:* Final Recovery Settlement Offer of $5.62 million was issued; the deadline expired on October 11, 2025, without payment; a demand letter was subsequently issued
- *Garraway Apartel Co. Ltd.:* Following the debtor's failure to comply with the conditions of the Final Recovery Settlement Offer, the offer was withdrawn and the Corporation proceeded with debt recovery actions

NONPERFORMING LOAN ("NPL") ACQUISITIONS AND MANAGEMENT

03

Pending Acquisitions

National Commercial Bank of Anguilla (NCBA): Assessment of 19 NPLs totalling $61.6 million continued during the reporting period. Preliminary assessment confirmed 17 loans covering $61.1 million as suitable for acquisition. The Corporation presented its innovative deferred payment structure to NCBA and continued to seek engagement with the Government of Anguilla regarding funding support.

St. Kitts Nevis Anguilla National Bank (SKNANB): Due diligence on a portfolio of five NPLs totalling $17.8 million continued, with Action Development Plans completed and fair value assessments finalized. The Corporation presented its deferred payment structure to SKNANB, with responses anticipated in early 2026.

Bank of Nevis (BON): In July 2025, BON confirmed a final list comprising six debtors and eight NPLs for potential acquisition. Preliminary Action Development Plans were under preparation as at the end of the reporting period.

04

FUNDING

Deferred Payment Structure: Progress and Implementation

The Corporation's innovative deferred payment structure represents a paradigm shift in NPL acquisition financing. This structure aligns payment obligations with actual recovery performance, creating a natural hedge against market risks while providing immediate balance sheet relief to participating financial institutions. The key features include:

Deferred Payment Structure
Primary Innovation

- 25% upfront deposit requirement
- 75% deferred over seven years
- Payments triggered by actual recoveries
- **Eliminates requirement for Government Guarantees**

This approach could unlock over $200 million in distressed assets currently trapped on bank balance sheets across the ECCU. The Corporation presented this structure to both NCBA and SKNANB during the reporting period, with formal responses expected in early 2026.

05 STRATEGIC PLANNING

Following restoration of Board leadership in August 2025, the Corporation conducted its first comprehensive Strategic Planning Summit on September 12, 2025, bringing together the Board, management, and staff to establish strategic direction through 2030.

The summit identified three strategic pillars:

1. **Integration** - Breaking down departmental silos through enhanced cross-functional collaboration across the asset lifecycle
2. **Innovation** - Developing creative funding structures, geographic expansion strategies, and technology adoption for operational excellence
3. **Impact** - Focusing on measurable priorities, particularly legislative reform and stakeholder engagement

The summit revealed that legislative framework limitations represent the primary constraint on ECAMC's strategic development. Management is preparing comprehensive legislative reform proposals for Board consideration and subsequent engagement with the Monetary Council and participating governments. The completed strategic plan will be presented to the Monetary Council at the June 2026 meeting,

06

2025 EXTERNAL AUDIT REPORT

The 2025 External Audit Report, comprising the audited financial statements for the year ended March 31, 2025, and the Agreed Upon Procedures Report, is submitted herewith for the Monetary Council's approval.

*The accompanying explanatory memorandum to the 2025 External Audit Report required by Article 82(3) of the ECAMC Agreement is attached as **Appendix II**.*

1. Audited Financial Statements for the Year Ended March 31, 2025

Background
ECAMC was established under the Eastern Caribbean Asset Management Corporation Act, 2015, to manage and resolve distressed financial assets acquired from approved financial institutions within the Eastern Caribbean Currency Union (ECCU). As per the Act, the Corporation is tasked with carrying out asset recovery operations in an efficient and structured manner while ensuring financial stability within the region's banking sector. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and audited by Deloitte & Touche.

Key Financial Highlights

Financial Position

- Total assets as at March 31, 2025, amounted to $37.42 million, reflecting a 2.9% decline from the previous financial year (2024: $38.55 million). This decrease was primarily attributable to the reduction in the investment portfolio as funds were repositioned to enhance returns.
- Cash and cash equivalents stood at $15.71 million (2024: $15.02 million), reflecting the Corporation's continued strong liquidity position and its ability to meet operational and strategic financial obligations.
- Loans receivable decreased marginally to $17.51 million (2024: $18.03 million), reflecting principal repayments received during the year.
- Investments decreased to $3.61 million (2024: $5.38 million), reflecting strategic portfolio realignment in preparation for investment in higher-yielding US dollar-denominated securities.
- Total equity stood at $36.51 million (2024: $37.87 million), with the decrease attributable to the net loss for the year.

06

2025 EXTERNAL AUDIT REPORT

AUDITED FINANCIAL STATEMENTS

Year Ended March 31, 2025

Financial Position

Total Assets	$37.42M	↓ 2.9%
Cash & Equivalents	$15.71M	↑ Strong
Loans Receivable	$17.51M	Stable
Investments	$3.61M	↓ Portfolio realignment
Total Equity	$36.51M	From $37.87M

06

2025 EXTERNAL AUDIT REPORT

Financial Performance

- Total revenue for the year was $967,486 (2024: $1,051,380), comprising receiver fees of $360,000, investment income of $324,339, interest income on loans of $188,391, rental income of $93,756, and loan fee income of $1,000.
- Fair value gains on loans at FVTPL amounted to $654,927 (2024: $1,654,733). The reduction reflects the challenging environment for asset dispositions and the delays in completing anticipated loan restructurings.
- Total revenue and other income was $1,622,413 (2024: $2,706,663).
- The Corporation recorded a net loss of $1,361,835 (2024: $394,991). The increased loss reflects the structural challenges inherent in distressed asset resolution, including unrealized property sales and delayed loan restructurings.

Financial Performance

Total Revenue	**$967,486**	FY 2024: $1.05M
Fair Value Gains	**$654,927**	↓ From $1.65M
Total Revenue & Income	**$1.62M**	FY 2024: $2.71M
Net Loss	**($1.36M)**	FY 2024: ($395K)

06 2025 EXTERNAL AUDIT REPORT

Liquidity and Capital Management

- The Corporation maintained a strong cash position, ensuring its ability to meet operational requirements and pursue strategic acquisition opportunities.
- ECAMC continued to self-finance its asset acquisition activities without reliance on external borrowing, demonstrating prudent financial management.

Strategic and Operational Considerations

- **Asset Acquisition and Recover**y: The Monetary Council approved a further extension of the deadline for the Corporation's acquisition of assets to July 20, 2027, and of its operational life to July 31, 2033, at its 111th meeting held on July 18, 2025. The Corporation continues to focus on recovering value from acquired assets through restructuring, refinancing, and property sales.

- **Regulatory Compliance & Governance:** ECAMC remains compliant with IFRS standards and the Eastern Caribbean Central Bank (ECCB) regulatory framework, ensuring financial transparency and sound governance practices.

- **Going Concern Consideration**: Despite recorded losses, the Corporation has assessed its financial position and affirms its ability to continue operations without material uncertainty. Sufficient cash reserves and a viable asset recovery strategy underpin this conclusion.

*The audited financial statements for the year ended March 31, 2025, are attached hereto as **Appendix III**.*

06

2025 EXTERNAL AUDIT REPORT

Agreed Upon Procedures Report for the Year Ended March 31, 2025

Deloitte & Touche conducted an Agreed Upon Procedures review to assess the Corporation's compliance with the provisions of the ECAMC Agreement for the year ended March 31, 2025, as required by Article 82(4) of the Agreement.

The review identified the following key findings:

AGREED UPON PROCEDURES REPOR
Compliance Reiew for Year Ended March 31, 2025

1. Board Composition and Appointments

- Mrs. Abiola Streete (Grenada) was appointed as the successor of Mr. Alistair Bain on June 1, 2025; however, there was no notice of her appointment published in the Official Gazette.

- The notice of the list of alternate directors remains unpublished in the Gazette. Management indicated that publication of the required Notice of Appointment of Alternate Directors was on hold pending the Government of Grenada's appointment of an Alternate Director.

2. Audit Committee

- The April 2024 – March 2025 Audit Committee Annual Report to the Board was not provided for review.

3. Valuation Methodology for Asset Acquisition

- The asset acquired from the National Bank of Dominica (Garraway Apartel Company Limited) was not acquired at market value as required by Article 54. Management confirmed that this practice is being followed for current acquisitions.

06

2025 EXTERNAL AUDIT REPORT

AGREED UPON PROCEDURES REPOR
Compliance Reiew for Year Ended March 31, 2025

4. Other Observations

- The audit for the year ended March 31, 2025 was still in process at the date of the AUP report, as the audit report was not presented to the Board within three months of the end of the financial year. The delay was due to governance challenges arising from the expiration of Board terms, which impacted the financial closing process.

- The two-year strategy plan was not updated semi-annually as required by Article 65, due to the governance constraints experienced during the period when the Chairman and Deputy Chairman positions were vacant.

- The Monetary Council has yet to publish the Quarterly Reports in the Gazette. This is a recurring observation.

- Minutes of meetings were not signed. This is a recurring observation.

Management has implemented enhanced processes to address these observations and prevent recurrence.

*The Agreed Upon Procedures Report for the year ended March 31, 2025 is attached hereto as **Appendix IV**, with the detailed observations and recommendations attached as **Appendix V**.*

07 APPOINTMENT OF CHAIRMAN OF THE BOARD OF DIRECTORS

Expiration of Chairman's Final Term

Mr. Michael Archibald's final one-year term as Director, and consequently his tenure as Chairman, will expire on February 11, 2026. Under the revised Article 66 of the ECAMC Agreement, as approved by the Monetary Council at its 111th meeting on July 18, 2025, Mr. Archibald is not eligible for further reappointment, having now served the maximum tenure permitted under the Agreement.

Mr. Archibald has served on the Board of Directors of ECAMC for nearly ten years since his appointment as the first director on February 12, 2016, and has served as Chairman for five years since June 25, 2020. During his tenure, the Corporation has achieved significant milestones, including the commencement of NPL acquisition operations, successful asset dispositions, the development of innovative funding structures, and the establishment of robust governance frameworks.

Board Recommendation for New Chairman

At its meeting held on November 20, 2025, the Board of Directors considered the matter of Chairman succession. Following deliberation and in accordance with Article 70(1) of the ECAMC Agreement, which provides that the Monetary Council shall appoint a Chairman and Deputy Chairman from among the members of the Board, the Board unanimously resolved to recommend to the Monetary Council:

> ***The appointment of Mr. John Skerritt, Director representing the Government of Montserrat, as Chairman of the Board of Directors of the Eastern Caribbean Asset Management Corporation, with effect from February 12, 2026.***

Qualifications and Experience of Mr. John Skerritt

Mr. Skerritt brings extensive experience and institutional knowledge to this role:

- He has served on the ECAMC Board since June 16, 2016, and was reappointed for an additional three-year term under the revised Article 66(2)(c) as the third longest-serving director
- He currently serves as Chair of the Audit Committee and a member of the Executive Committee, demonstrating his governance capabilities and familiarity with the Corporation's operations
- His nearly ten years of continuous service provide valuable continuity and institutional memory during this leadership transition

07 APPOINTMENT OF CHAIRMAN OF THE BOARD OF DIRECTORS

Grenada Director Vacancy

In December 2025, the Government of Grenada was duly reminded of the upcoming expiration of Mr. Archibald's term and a request was made for the Government to name a new appointee to the Board. As of the date of this report, the Government of Grenada has indicated that communication on the matter would be provided in short order.

08 RECEIVERSHIP FUNCTION

IIn addition to asset acquisition and management, the purpose of the ECAMC is to act as receiver of a financial institution whenever appointed by the Central Bank. The ECAMC was appointed as receiver of ABI Bank Ltd on July 21, 2017.

It was the expectation that the ECAMC would also be appointed as receiver of the two receiverships in Anguilla – Caribbean Commercial Bank (Anguilla) Ltd ("CCB") and National Bank of Anguilla ("NBA"), but this has not yet materialized.

ABI Bank Ltd. (In Receivership) (the “Receivership”)

Overview

ABI Bank Ltd (In Receivership) entered conservatorship on July 22, 2011, with the Eastern Caribbean Central Bank assuming control. On November 27, 2015, the ECCB appointed Megan Samuel-Fields as Receiver, and on July 21, 2017, the Eastern Caribbean Asset Management Corporation was appointed Receiver. The Receivership, which had an initial lifespan of five years, was extended by the ECCB for another five years to November 26, 2025, and subsequently extended for a further three years to November 26, 2028. This extension affords ample time to realise the recovery plan and address outstanding legal and collection issues.

Financial Performance

For the six-month period April 1 to September 30, 2025, the Receivership achieved cumulative net income of $579,337. This result was below budget expectations primarily due to the delayed receipt of anticipated loan repayments, including payments from Sigma (2000) Ltd ($1.2 million) and George Edwards ($600,000). The Sigma (2000) payment has since been received.

Cummulative Net Income	$579K
Depositor Payout	$91.019M
Customer Deposits	$151.28M

08 RECEIVERSHIP FUNCTION

Customer Deposits and Payouts

Customer deposits stood at $151,278,167 as at September 30, 2025. To date, the Receivership has disbursed a total of $91,019,276 to depositors, with the most recent payment of $1,002,146 made in May 2024. Looking ahead, a 1% payment to eligible depositors ($1,324,490) was scheduled for October 2025, with a potential 3% payout ($3,933,734) anticipated in January 2026, subject to successful collection of major loan repayments.

Legal Matters

A legal dispute with St. Kitts Nevis Anguilla National Bank remains unresolved and represents a significant risk to the Receivership. Mediation commenced on December 6, 2024 and resumed on January 10, 2025; however, no resolution was reached. The matter is now expected to proceed to the High Court for adjudication. Should the claim be successful, it would substantially reduce the Receivership's ability to make future payments to depositors. The Receivership continues to vigorously defend this matter; however, the ultimate outcome remains uncertain and could have a material adverse effect on recoveries available to depositors.

09

CONCLUSION

The six-month period ending September 30, 2025, represented a transformational period for ECAMC. Following the restoration of Board leadership in August 2025, the Corporation conducted its first comprehensive Strategic Planning Summit, positioning the organization for sustainable long-term contribution to regional financial stability.

Key achievements during the reporting period included:

- ✓ **Successful entry into the Antigua market through the ACB acquisition**
- ✓ **Completion of the Cane Grove property sale, generating $600,000 in recoveries**
- ✓ **Launch of the Habitat Terrace tender process**
- ✓ **Presentation of the innovative deferred payment structure to NCBA and SKNANB**
- ✓ **Ratification of director appointments in Anguilla and Dominica**
- ✓ **Completion of the 2025 external audit**

The Corporation maintained strong financial fundamentals with a Liquidity Coverage Ratio of 157% and Capital Adequacy Ratio of 111%, positioning ECAMC to weather near-term revenue headwinds while pursuing strategic growth opportunities.

The Corporation stands poised to deliver on its dual mandate of asset management and receivership operations while building the strategic capacity necessary for expanded contribution to financial sector stability across the Eastern Caribbean Currency Union.

ECAMC

EASTERN CARIBBEAN ASSET MANAGEMENT CORPORATION

Email
info@ec-amc.com

Phone
268-562-8844

Website
www.ec-amc.com