2024-2025

Annual Report

Report and Statement of Accounts for the Financial Year ended 31 March 2025

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ABBREVIATIONS

AML/CFT	Anti-Money Laundering/Combatting the Financing of Terrorism
AFD	Agence Française de Développement
BARC	Board Audit and Risk Committee
BCMS	Business Continuity Management System
BOS	Business Outlook Survey
CARTAC	Caribbean Regional Technical Assistance Centre
CBI	Citizen by Investment Programmes
CCMI	Culture and Change Management Initiative
CDB	Caribbean Development Bank
CFATF	Caribbean Financial Action Task Force
CGU	Corporate Governance Unit
CYC	Creative Youth Competition
ECFSB	Eastern Caribbean Financial Standards Board
ECACH	Eastern Caribbean Automated Clearing House
ECCU	Eastern Caribbean Currency Union
ERM	Enterprise Risk Management
ESS	External Sector Statistics
FIM	Financial Information Month
FMI	Financial Market Infrastructures
FSI	Financial Soundness Indicators
IFC	International Financial Corporation
IMF	International Monetary Fund
IOSCO	International Organisation of Securities Commissions
IPS	Instant Payment System
IRC	Interim Regulatory Commission
MEVAL	Mutual Evaluation Report
NAMLOC	National Anti-Money Laundering Oversight Committee
NBFI	Non-Bank Financial Institutions
NDC	Nationally Determined Contributions
OECS	Organisation of Eastern Caribbean States
OFCI	Office of Financial Conduct and Inclusion
RDCC	Regional Debt Coordinating Committee
RGSM	Regional Governments Securities Market
RMM	Risk Maturity Model
RREIIF	Resilient Renewable Energy Infrastructure Investment Facility
RSS-ARU	Regional Security System - Asset Recovery Unit
SAS	Statistical Analysis System
SPISE	Student Programme for Innovation in Science and Engineering
STAR	Service Excellence, Teamwork and Truth Telling, Accountability, Results
STEMS	Science Technology Engineering and Mathematics
SWIFT	Society for Worldwide Interbank Financial Telecommunications

Eastern Caribbean Central Bank

27 June 2025

Sirs

In accordance with Article 48(1) of the Eastern Caribbean Central Bank Agreement 1983, I have the honour to transmit herewith the Bank's Annual Report and Statement of Accounts for the year ended 31 March 2025, duly certified by the External Auditors.

I am,
Your Obedient Servant

Timothy N. J. Antoine
GOVERNOR

The Honourable Cora Richardson-Hodge
Premier
ANGUILLA

The Honourable Gaston Browne
Prime Minister
ANTIGUA AND BARBUDA

The Honourable Dr Irving McIntyre
Minister for Finance
COMMONWEALTH OF DOMINICA

The Honourable Dennis Cornwall
Minister for Finance
GRENADA

The Reuben T Meade
Premier
MONTSERRAT

The Honourable Dr Terrence Drew
Prime Minister
SAINT CHRISTOPHER (ST KITTS) AND NEVIS

The Honourable Philip J Pierre
Prime Minister
SAINT LUCIA

The Honourable Camillo Gonsalves
Minister for Finance
SAINT VINCENT AND THE GRENADINES

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MISSION

Advancing the good of the people of the Currency Union by maintaining monetary and financial stability and promoting growth and development

VISION

To be a model institution delivering exceptional service and influential policy advice to support the development of a thriving Currency Union

CORE VALUES

- Service Excellence
- Teamwork and Truth Telling
- Accountability
- Results

DECLARATIONS

- Competent yet Caring
- Prudent yet Proactive
- Imaginative and Industrious

Monetary Council
As at 31 March 2025

Hon Cora Richardson-Hodge
Anguilla
(Chairman)

Hon Gaston Browne
Antigua and Barbuda

Hon Dr Irving McIntyre
Commonwealth of Dominica

Hon Dennis Cornwall
Grenada

Hon Reuben T Meade
Montserrat

Hon Dr Terrance M Drew
Saint Christopher (St Kitts) and Nevis

Hon Philip J Pierre
Saint Lucia

Hon Camillo Gonsalves
Saint Vincent and the Grenadines

Board of Directors
As at 31 March 2025

Timothy N. J. Antoine
Chairman
Governor

Dr Valda F Henry
Deputy Governor

Executive Directors

Appointed Directors

Kathleen Rogers
Anguilla

Whitfield Harris Jr
Antigua and Barbuda

Denise Edwards
Commonwealth of Dominica

Mike Sylvester
Grenada

John Skerritt
Montserrat

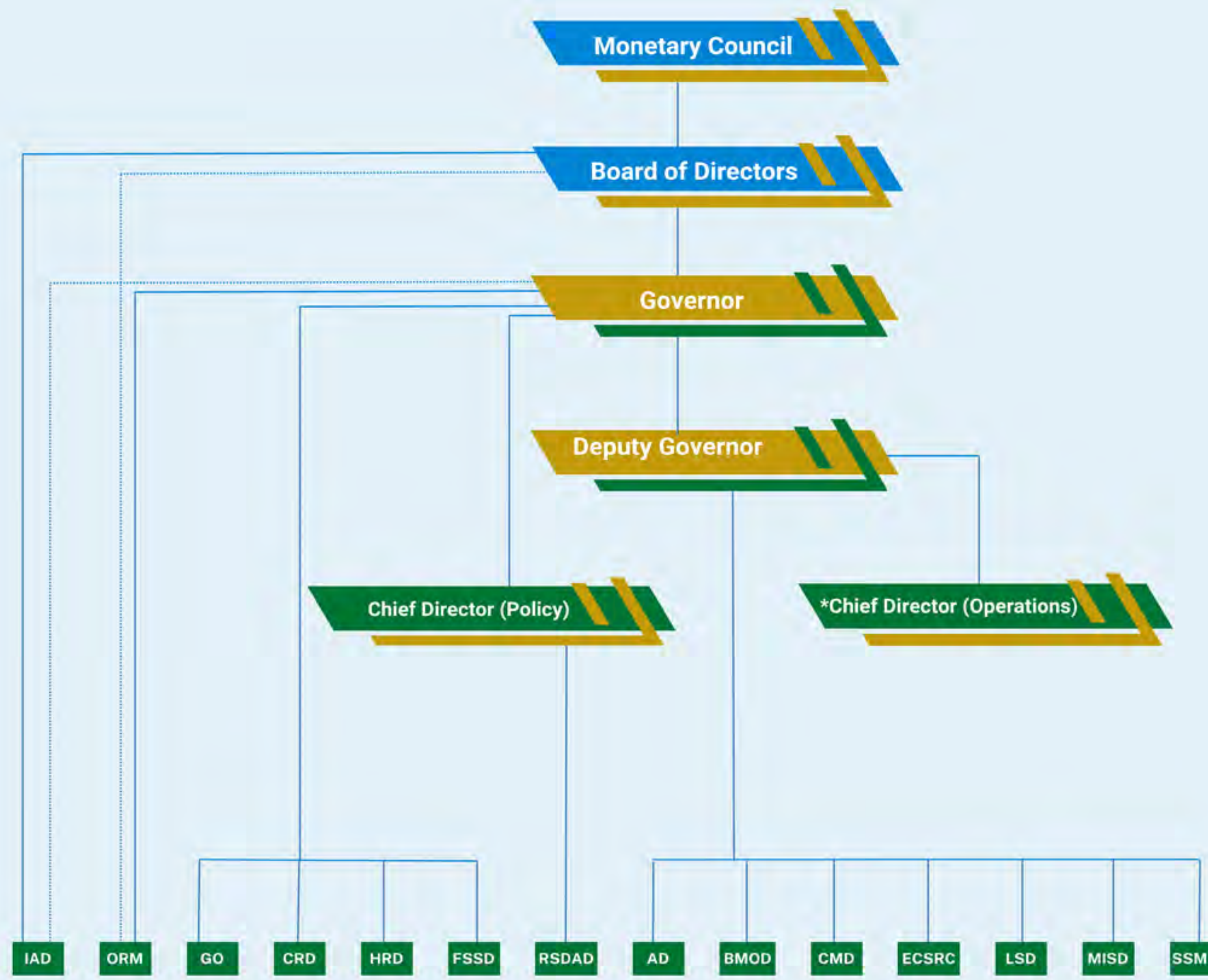
Hilary Hazel
Saint Christopher (St Kitts) and Nevis

Francis Fontenelle
Saint Lucia

Edmond Jackson
Saint Vincent and the Grenadines

Organisational Chart

As at 31 March 2025



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KEY

AD: Accounting Department

BMOD: Banking and Monetary Operations Department

CMD: Currency Management Department

CRD: Corporate Relations Department

ECSRC: Eastern Caribbean Securities Regulatory Commission

FSSD: Financial Sector Supervision Department

GO: Governor's Office

HRD: Human Resource Department

IAD: Internal Audit Department

LSD: Legal Services Department

MISD: Management Information Systems Department

ORM: Office of Risk Management

RSDAD: Research, Statistics and Data Analytics Department

SSMD: Support Services Management Department

Management Structure
As at 31 March 2025

Timothy N. J. Antoine
Governor

Dr Valda F Henry
Deputy Governor

D Tracy Polius, PhD
Chief Director (Policy)

Executive Committee

Senior Management

Senator Samuel
Director,
Accounting Department

Emefa Sewordor, PhD
Director, Advisory Services,
Governor's Office

Raquel Leonce
Director, Banking and Monetary
Operations Department

C Teresa Smith
Director/Corporate Secretary,
Corporate Governance Unit

Shermalon Kirby
Director, Corporate Relations
Department

Rosbert Humphrey
Director, Currency Management
Department

Yvonne Jean-Smith
Director, Internal Audit Department

Merlese O'Loughlin
General Counsel,
Legal Services Department

Management Structure

As at 31 March 2025

Senior Management cont...

Cindy Parris-Gilbert
Director, Management Information Systems Department

Karen Williams
Director, Projects Technical Assistance, Governor's Office

Schwabach Caines
Director (Ag), Financial Sector Supervision Department

Merva Mallalieu
Director (Ag), Human Resource Department

Kechewia Charles
Director/Chief Risk Officer (Ag), Office of Risk Management

Norman Sabaroche
Director (Ag), Support Services Management Department

Sharmyn Powell
Director/Chief Risk Officer
Office of Risk Management
On Secondment at Bank for International Settlements (BIS)

Management Team

As at 31 March 2025

ACCOUNTING DEPARTMENT

Nazinga Modeste, *Deputy Director (Ag)*

BANKING AND MONETARY OPERATIONS DEPARTMENT

Lynette Griffin, *Deputy Director*
Niall Pistana, *Deputy Director*

CORPORATE RELATIONS DEPARTMENT

Elizabeth Wayland-Phillip, *Deputy Director (Ag)*

CURRENCY MANAGEMENT DEPARTMENT

Jadese Manning, *Deputy Director (Ag)*

FINANCIAL SECTOR SUPERVISION DEPARTMENT

Humphrey Magloire, *Senior Information Specialist*
Laurel Seraphin-Bedford, *Deputy Director*
Gillian Skerritt, *Deputy Director*
Livia Bertin-Mark, *Deputy Director (Ag)*
Liane Irish-Wade, *Deputy Director (Ag)*

GOVERNOR'S OFFICE - OFFICE OF CHIEF DIRECTOR (POLICY)

Shawn Williams, *Senior Policy Specialist*
Allison Crossman, *Policy Specialist*
Patricia Welsh (C.Dir), *Policy Specialist*

GOVERNOR'S OFFICE - PROJECTS AND TECHNICAL ASSISTANCE

Sybil Welsh, *Senior Projects Specialist*

HUMAN RESOURCE DEPARTMENT

Gwendy Francois, *Deputy Director (Ag)*

INTERNAL AUDIT DEPARTMENT

Alamina Trotman, *Deputy Director*

LEGAL SERVICES DEPARTMENT

Maria Barthelmy, *Assistant General Counsel*

MANAGEMENT INFORMATION SYSTEMS DEPARTMENT

Lyle Mark, *Deputy Director*
Aldrin Phipps, *Information Systems Specialist*

RESEARCH, STATISTICS AND DATA ANALYTICS DEPARTMENT

Seana Benjamin-Mack, *Deputy Director*
Juletta Edinborough, *Fiscal and Debt Specialist*
Dr Leah Sahely, *Data Specialist*
Allister Hodge, *Deputy Director*
Martina Regis, *Deputy Director*
Shernnel Thompson, *Deputy Director*

SUPPORT SERVICES MANAGEMENT DEPARTMENT

Adaeze Matthew-Hanley, *Deputy Director*
Danny Caine, *Chief of Security*

Agency Offices

As at 31 March 2025

ANGUILLA
ECCB Agency Office
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Rodney Bay
Gros Islet
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Country Manager - Everton Sealy

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P O Box 839
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Frenches
Kingstown
SAINT VINCENT AND THE GRENADINES
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Email: eccbsvd@eccb-centralbank.org
Country Manager - Kozel Fraser

GRENADA
ECCB Agency Office
St Matthew and Monckton Streets
St George's
GRENADA
Telephone: 473 440 3016
Email: eccbgnd@eccb-centralbank.org
Country Manager - Valene Streete

Governor's Foreword

At the conclusion of the 2024-2025 financial year, we find ourselves in a VUCAA world. This is a world characterised by **volatility, uncertainty, complexity, ambiguity and anxiety (VUCAA)**. VUCA originated from the US Army College in the late 1980s and early 1990s in response to the post-Cold War reality. To this famed acronym, I have simply added anxiety, a very palpable phenomenon at this juncture in the international global order. During the past financial year, our region faced geopolitical and climatic shocks and the promise and perils of digitalisation and Artificial Intelligence (AI). Through it all, the resilience of our region shone through. Now, we look towards the 2025-2026 financial year ready to confront the challenges and seize the opportunities before us in our relentless pursuit of resilient prosperity for the people of the Eastern Caribbean Currency Union (ECCU).

Guided by our core mission of **advancing the good of the people of the Currency Union through monetary and financial stability**, the ECCB continued to discharge these core mandates while advocating and sponsoring critical reforms. Notably, the EC dollar remained strong and stable at the rate of US$1 to EC$2.7, as it has been since July 1976. At the end of the year, the stock of foreign reserves stood at EC$5.5 billion and the foreign reserves backing of the EC dollar was 97.0 per cent–significantly above the 60 per cent statutory requirement.

The Bank continued to pursue prudent financial management and recorded a net profit of **EC$126.2 million**, the highest in the Bank's history. The Bank secured Board approval to implement key recommendations of its Compensation

During the financial year, the Bank spotlighted the Big Push–the goal to double the size of the ECCU economy over the next decade. As management, we led the ECCB team with agility, clarity, energy and empathy, as we sought to implement zealously strategic initiatives in support of the Big Push. Moreover, the ECCB deepened engagements with our communities, stakeholders and partners, nationally, regionally and internationally.

Governor's Foreword

The Bank made significant progress on the important issue of easing the opening of bank accounts to support financial inclusion. This is essential in ensuring that all citizens and residents have reasonable access to banking and other financial services without unduly burdensome documentation requirements, while still meeting regulatory standards, including those pertaining to Anti-Money Laundering and Combatting the Financing of Terrorism.

Review as it endeavours to attract and retain talent in a very competitive and mobile labour market, an imperative for the pursuit of the Bank's strategic goals and ambitious agenda. The Bank made progress in replacing its current Enterprise Resource Planning solution to improve operational efficiency.

The International Monetary Fund's (IMF) April 2025 World Economic Outlook reported that global output grew at a robust rate of 3.3 per cent in 2024, albeit below the pre-pandemic average of 3.7 per cent. The growth was fueled by strong consumer demand, particularly in the US economy, even amid subdued performances in other advanced and emerging economies. Inflationary pressures eased in general. Central banks moved cautiously to balance considerations for consumption activity, labour markets and exchange rates. Even with these efforts, inflation remained stubborn in some regions and higher than the targeted 2 per cent rate.

The Bank estimates that the ECCU economy expanded by 3.7 per cent in 2024. Growth was fueled by a strong performance in Tourism and construction activity. Visitor arrivals in most member countries have now surpassed pre-pandemic levels, as real incomes in source markets normalised and regional air connectivity improved. In construction, activity was driven by government infrastructure projects. On account of positive economic activity, ECCU countries made some progress towards debt sustainability with the average debt-to-GDP ratio in the ECCU falling from 77 per cent to 76 per cent. In addition, the inflation rate slowed in all countries, but price levels remain high.

During the financial year, the Bank spotlighted the ***Big Push***–the goal to double the size of the ECCU economy over the next decade. As management, we led the ECCB team with agility, clarity, energy and empathy, as we sought to implement zealously strategic initiatives in support of the Big Push. Moreover, the ECCB deepened engagements with our communities, stakeholders and partners, nationally, regionally and internationally.

The Bank made significant progress on the important issue of **easing the opening of bank**

Governor's Foreword

accounts to support financial inclusion. This is essential in ensuring that all citizens and residents have reasonable access to banking and other financial services without unduly burdensome documentation requirements, while still meeting regulatory standards, including those pertaining to Anti-Money Laundering and Combatting the Financing of Terrorism. Additionally, the initial phase of drafting the supporting legal framework for the Office of Financial Conduct and Inclusion has been completed, to support the Bank's financial consumer protection thrust.

To support stronger credit risk management and greater access to credit, notably, **the ECCU Credit Bureau**, EveryData ECCU Limited, was launched in Antigua and Barbuda in September 2024. The Credit Bureau will facilitate credit information sharing among licensed institutions and should, over time, help improve access to credit.

Significantly, the ECCB continued to support member countries in their efforts to strengthen the governance of the Citizenship by Investment Programmes (CBI/CIP) to ensure their sustainability, given their importance to the fiscal and economic resilience of the countries. The ECCB leads a regional working group, the Interim Regulatory Commission (IRC), tasked by the Heads of Government where these programmes operate to establish a regional regulator. This enabling legal framework is expected to be enacted by the end of 2025.

Despite a relatively stable 2024, there are now fears of new inflationary risks from protectionism and escalating trade wars. In a bid to weather these new developments, the ECCU will need to re-look strategic trade partners and supply chains, accelerate reforms to build resilience, and strengthen regional food and energy security.

During the 2025/2026 financial year, the ECCB will craft its 2026-2031 strategic plan.

In conclusion, I express my gratitude to the Monetary Council and the Board of Directors for their guidance and support for the execution of the important work of the ECCB. I thank my Executive colleagues - the Deputy Governor, Dr Valda Henry, and the Chief Director (Policy), Dr Tracy Polius - for their steadfast support through the year. I also thank the management and staff of the ECCB for their hard work and diligence in service to the people of the ECCU.

Finally, I also wish to acknowledge our stakeholders and partners as their continued engagement, cooperation and contributions are vital to our success. To the people of the Currency Union, I say thank you for the continued trust and confidence you have placed in the ECCB. The road ahead may be rocky, but through our collective efforts and with faith, we will overcome the challenges. Psalm 46:1 (NIV) reminds us that, **"God is our refuge and strength, an ever-present help in trouble."**

Timothy N.J.Antoine
Governor

Strategic Achievements 2024-2025

Ease of Opening Bank Accounts

In November 2024, the ECCB issued a circular to all Licensed Financial Institutions (LFIs) regarding the establishment of a Basic Bank Account. This initiative aims to support the unbanked and underserved citizens in the ECCU, as part of the ECCB's broader strategy to foster financial inclusion and measures to uphold the soundness and integrity of the financial system. The circular, which forms part of the Ease of Account Opening Strategy, encourages LFIs to offer Basic Bank Accounts, as defined in the proposed amendments to the Act.

ECCU Credit Bureau

In September 2024, Antigua and Barbuda became the first ECCB member country to officially go live on the credit bureau system, marking a critical milestone in the region's credit reporting framework.

Resilient Renewable Energy Infrastructure Investment Facility

The ECCB collaborated with member countries, development partners and multi-donor funds to secure more concessional and grant resources for project development and financing. As of March 2025, the governments of Grenada, Saint Lucia and Saint Vincent and the Grenadines had successfully negotiated a multi-million-dollar anchor funding package with The World Bank for the operationalisation of the Renewable Energy Facility and the financing of a series of projects during its first phase of operations.

Opening Access to the Eastern Caribbean Automated Clearing House (ECACH)

Effective 10 October 2024, credit unions became eligible to apply for ECACH membership, affording these institutions the capability to connect and settle directly on the ECACH.

Development of a Retail Bond Market

The Regional Debt Coordinating Committee and the Monetary Council approved the development of a retail bond market to encourage greater participation by retail investors and to engender a culture of investment in the ECCU. A main feature of the retail market would be a reduction in the minimum investment amount from EC$5,000 to EC$500.

Establishment of the Corporate Governance Unit (CGU)

The CGU was established 1 September 2024 and instituted to, inter alia:

1. Enhance corporate governance to support greater effectiveness and impact;
2. Bring clarity to the vision of the Bank's Culture and Change Management Initiative (CCMI);
3. Develop strategies and collaborate with the Human Resource Department in implementing the CCMI; and
4. Collaborate and provide support to all departments in the development, monitoring and implementation of the Bank's Strategic Plan.

ECCU Bank of the Year Awards

The ECCB presented the inaugural ECCU Distinguished Bank of the Year Award to Bank of Saint Lucia Ltd during the awards ceremony held at the ECCB Headquarters on 12 November 2024. The ECCU Distinguished Bank of the Year Award was launched in 2024 to honour banks that demonstrate the ability to turn challenges into opportunities through strategic initiatives and innovative business practices in a dynamic market environment.

Strategic Achievements 2024-2025 cont...

SAS Data Management

The Bank successfully onboarded the ECCB-licensed non-bank financial institutions (NBFIs) to its data reporting and management software, SAS, thereby broadening the coverage of its monetary and financial statistics.

Citizen By Investment Programmes (CBI/CIP)

The ECCB continued to work with the Citizenship by Investment Programmes (CBI/CIP) Technical Group and stakeholders to advance the cause of the Programmes in the ECCU. ECCB has also been providing technical and administrative support to member countries for the establishment of a Regional Regulator for CBI/CIP.

Banking Amendment Bill 2024

The Banking Amendment Bill 2024 was drafted to facilitate market conduct regulation and financial consumer protection for customers of Licensed Financial Institutions under the Banking Act (2015).

Eastern Caribbean Financial Standards Board (ECFSB)

In October 2024, the ECCB received approval from the Monetary Council for the policy paper on the establishment of the Eastern Caribbean Financial Standards Board (ECFSB). The ECFSB is a proposed integrated regulator (financial consumer protection and micro prudential regulation) for the non-bank financial sector. During financial year 2024/2025 the Bank commenced consultations on the design elements of the ECFSB and contracted a legislative drafting consultant to support drafting of the legislation to facilitate the establishment of the ECFSB and finalisation of the draft Insurance and Pensions Bill.

Grenada $50 Commemorative Note

In celebration of Grenada's 50th anniversary of independence, the Bank—in collaboration with the Government of Grenada, Carriacou and Petite Martinique—issued a limited-edition $50 circulation banknote. The Grenada 50-dollar banknote is printed on polymer and is the same size and includes similar security features as the current banknotes in circulation. The note depicts portraits of former Prime Ministers Sir Eric Matthew Gairy and Maurice Bishop and pays homage to their pivotal roles in Grenada's history. This banknote also narrates Grenada's story through its culture; landmarks; and influential figures such as its first Olympic Medallist, Kirani James.

Office of Financial Conduct and Inclusion (OFCI)

The ECCB conducted consultations with stakeholders throughout the ECCU on the establishment of the OFCI. The OFCI will be responsible for regulating matters relating to financial consumer protection and business conduct for financial institutions licensed under the Banking Act. Its work will include, among other areas: ensuring that timely, accurate, and clear information is provided to the public to facilitate decision-making relating to financial products and services; prohibiting misleading conduct and unsubstantiated claims in connection with financial products and services; and improving financial literacy among financial market participants.

Strategic Achievements
2024-2025 cont...

Data Warehouse

The ECCB advanced its work on the implementation of a new data warehouse and the development of a data and artificial intelligence strategy. During the financial year, the ECCB engaged in the process of requirements identification to support design of the new data warehouse. The Bank also established a Data and AI strategy committee, which supported the process of development of the Data and AI Strategy. This strategy will include elements such as data governance, and guardrails for use of AI models. The next stage of the data warehouse is the procurement of services for the design and implementation of the warehouse.

Financial Stability

A regulatory architecture that delivers complete and effective oversight of the financial system; reduces systemic risk; and enhances resilience of financial institutions, markets and infrastructure

Financial Stability

In 2024, the Eastern Caribbean Currency Union (ECCU) faced complex global challenges, including geopolitical tensions, climate disruptions, and a slowing global economy. Key factors impacting the global landscape were declining inflation rates in advanced economies, continued monetary tightening in the USA and Eurozone area, high energy prices due to geopolitical conflicts, and significant climate-related economic losses. Within the ECCU, tourism-driven growth moderated, inflation decelerated, and public debt increased in several member countries.

The ECCU's financial sector remained broadly stable, as measured by key indicators developed and monitored by the Bank, despite these global macro-financial developments. The commercial banking sector continued to demonstrate strong resilience, as evidenced by robust capital adequacy ratios and ample liquidity. Credit growth, a key factor in facilitating economic activity and investment in the region, was driven primarily by household borrowing, mainly for real estate purposes. Credit quality continued to improve into the financial year, as non-performing loan ratios fell across most sectors.

> ***The commercial banking sector continued to demonstrate strong resilience, as evidenced by robust capital adequacy ratios and ample liquidity.***

Risks and vulnerabilities in the ECCU increased, mainly attributable to cybersecurity and climate-related shocks. The ECCU financial system faced heightened cyber risk exposure in 2024, due to multiple incidents, which impacted financial institutions and customers. Those incidents underscored operational vulnerabilities and the need for stronger cybersecurity.

On the climate front, the ECCB member countries of Grenada and Saint Vincent and the Grenadines were severely impacted by Hurricane Beryl in July 2024, which caused a combined EC$1.2 billion in damage to property. Additionally, climatic events in the Atlantic basin contributed to rising reinsurance costs.

The Bank therefore implemented several measures and advanced initiatives to strengthen and maintain the soundness of the financial system, mitigate risks and vulnerabilities and transform the ECCU through innovation and collective action.

Prudential and Regulatory Developments

Financial Sector Reforms

The ECCB continued to strengthen the regulatory architecture in 2024, with a view to mitigating systemic risk and enhancing the regulatory framework. Consequently, efforts advanced in developing the following frameworks:

- ☑ Institutional Arrangements to Support the Macro-Prudential Stability in the ECCU;
- ☑ A Crisis Resolution Mechanism for the ECCU's Financial System; and
- ☑ The Office of Financial Conduct and Inclusion.

These frameworks, combined, are expected to strengthen resilience of the ECCU's financial

Financial Stability

system; support the resolution of institutions in the ECCU; promote responsible financial conduct; enhance financial literacy; and improve access to financial services.

The ECCB also continued its macro-prudential surveillance with valued input from the National Regulatory Authorities. These key partners have enabled a more comprehensive assessment of key sectors, such as credit unions and insurance companies.

Enhanced Risk-Based Supervisory and Management Framework

Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF)

The key objectives for AML/CFT/CPF supervision were:

1. enhancing the regulatory framework to combat money laundering, terrorist financing and proliferation financing (ML/TF/PF) in the ECCU; monitoring, assessing and addressing ML/TF/PF risks of Licensed Financial Institutions (LFIs);
2. enhancing training systems within the banking sector to improve capacity;
3. improving compliance within LFIs to combat financial crime; and
4. improving institutional capacity within the ECCB and national regulators to support compliance efforts and reduce risks in member countries.

The ECCB conducted eight risk-based examinations, in keeping with the LFIs' risk profiles and the ECCB's examination cycle. Notably, LFIs have made significant strides in lowering their ML/TF/PF risks by addressing deficiencies and improving their AML/CFT/CPF compliance programmes.

Enhanced Prudential Supervision of Licensed Financial Institutions

The ECCB's risk-based supervision framework underpinned the on-site and off-site surveillance activities for LFIs. The ECCB conducted eight prudential examinations and four information technology examinations utilising either a full on-site, full remote, or hybrid approach. Emphasis was placed on assessing credit, liquidity, and information technology risks; threats to earnings sustainability; capital adequacy; corporate governance; risk management; and compliance with requirements of the Banking Act, 2015, as amended (the Act), the ECCB's Standards and Guidelines, and other relevant legislation and supervisory requirements.

In the pursuit to strengthen oversight of the licensed non-bank financial institutions (NBFIs), on 1 October 2024, the ECCB introduced a new suite of prudential returns for NBFIs, which aligned with that of commercial banks.

Enhancements were made to the supervisory framework for the Eastern Caribbean Partial Credit Guarantee Corporation, and the Credit Bureau Supervisory framework is being finalised.

The Bank made further amendments to the Prudential Standard for the Treatment of Impaired Assets for Institutions Licensed under the Banking Act, 2015, in relation to the classification of facilities,

Financial Stability

to ensure adequate provisioning for impaired facilities. The Bank stepped up its monitoring in this regard, given that 2024 marked the end of the transition period towards the 100.0 per cent provisioning for loans classified as 'loss'.

In keeping with its mandate to protect the interest of depositors and creditors, the ECCB commissioned an independent audit of Republic Bank (EC) Limited, Republic Bank (Anguilla) Limited and Republic Bank (Grenada) Limited, following concerns resulting from delayed e-commerce and point-of-sale transactions. Effective 6 January 2025, pursuant to its powers under Part IX Section 114 of the Banking Act, 2015 of Saint Lucia (No 3 of 2015), the ECCB appointed an Official Administrator for Financial Investment and Consultancy Services Limited, Saint Lucia.

Basel II/III Framework

The ECCB attained the following critical milestones through its phased approach in the implementation of its Basel II/III capital framework.

01 Implementation of Phase I/Pillar 1: Phase I corresponds with Pillar 1 of Basel II/III-Minimum Capital Requirements

Following its integration of the new Basel II/III prudential return 16 (PR16) into the existing prudential reporting framework, the ECCB commenced 'go live' reporting in July 2024, thus completing the implementation of Phase I. By December 2025, the ECCB will conduct targeted reviews at selected LFIs, to ensure compliance with Pillar 1 requirements. The ECCB is simultaneously implementing Pillar 2 (Phase II) of its framework.

02 Implementation of Phase II/Pillar 2: Phase II corresponds with Pillar 2 of the implementation roadmap - Supervisory Review and Evaluation Process

Work continued towards the finalisation of the framework for the ECCB's Supervisory Review and Evaluation Process for Pillar 2 activities. The review of the Internal Capital Adequacy Assessment Process (ICAAP) is ongoing. Given unforeseen delays with some banks' submission of the ICAAP, the ECCB expects to implement Phase II by quarter four of 2025.

03 Implementation of Phase III/Pillar 3: Phase III corresponds with Pillar 3 - Market Discipline, which is dependent on information from Pillars 1 and 2

The ECCB aims to finalise the framework to complete Phase III of its Basel II/III implementation roadmap in 2026.

Through continuous collaborative assessments and industry consultations, the ECCB will remain flexible in implementing necessary capital and liquidity measures.

Financial Stability

Integrating Climate-Related Financial Risks in the Eastern Caribbean

The Bank held a series of climate-related risks capacity building sessions in May 2024, to continue building capacity in the financial sector throughout the ECCU region. Accordingly, efforts continued towards integrating climate-related financial risks into the ECCB's Risk-Based Supervision Framework.

Phase two of the Adapt'Action Facility for Integrating Climate-Related Financial Risks in the Eastern Caribbean was completed successfully in May 2024. Phase two involved conducting a diagnostic of climate-related financial risks in the ECCU; conducting due diligence to inform the development of the stress testing and regulatory framework; and building awareness and conducting training and peer learning. The following deliverables were finalised and submitted by the project consultants, A2F Consulting:

- ☑ An assessment of climate-related financial risks in the ECCU non-banking financial system;
- ☑ A guidance report on strengthening the supervision of climate-related financial risks in the ECCU non-banking financial sector; and
- ☑ A recommendation report on the preparation for implementing the next phase to develop the required framework and toolkit, which will enable national regulators to assess, monitor and supervise climate-related risks facing NBFIs.

A communication strategy for the climate risk project was also developed.

Prudential Standards

Basel-Related Standards: The Bank continued to strengthen the resilience and robustness of the ECCU banking sector by issuing the *Prudential Standard for the Management of Interest Rate Risk in the Banking Book*, effective 1 April 2025.

Efforts are ongoing to replace the *Liquidity Risk Management Guidelines* with the *Prudential Standard for the Management of Liquidity Risk*. The ECCB continues to assess the feasibility of implementing the liquidity buffers of Basel III, namely the Liquidity Coverage Ratio and/or the Net Stable Funding Ratio. The issuance of the Fit and Proper Standard and the Prudential Standard on Corporate Governance remains contingent on the passage of the Banking Act, 2015 amendments in all member countries.

Access the Prudential Standard for the Management of Interest Rate Risk in the Banking Book.

Simplified Customer Due Diligence Standard/ Guidelines: The Standard/Guidelines were issued to LFIs in member countries where the ECCB is the named AML/CFT/CFP regulator for LFIs and took effect on 1 April 2025. The Standard/Guidelines aim to ensure that LFIs implement simplified customer due diligence procedures, for opening a bank account, where low-risk factors are identified. The Standard/Guidelines are intended to streamline the process for institutions, while ensuring adequate risk mitigation in line with the overall regulatory framework. The Standard/Guidelines for the relevant member countries are available on the Bank's website.

Access Simplified Customer Due Diligence Standard/ Guidelines for the respective ECCB member countries.

Financial Stability

Valuation Prudential Standards:

The Bank commenced a review of its Valuation Prudential Standards for LFIs Under the Banking Act (Valuation Standards). The Valuation Standards adopt a uniform approach to appraisals and valuations in the ECCU; employ a transparent methodology for the appraisal of real estate; and adopt international standards in standardising the methodology for the conduct of appraisals in the region.

The proposed amendments to the Standards are pending. They aim to ensure that the structure is in accordance with internationally accepted valuation standards; provide up-to-date guidance in relation to asset valuations; establish minimum requirements for valuation programmes and certification; and ensure that valuation standards meet the requirements of emerging risk and business practices at LFIs. The ECCB made a presentation to national regulators to encourage the application of similar requirements for Valuers in relation to the non-banking sector, to preserve financial stability and the integrity of the financial sector in the ECCU.

Monetary and Financial Statistics

The Bank compiled Monetary and Financial Statistics based on international standards, as part of its Financial Stability mandate. The Bank also participated in Basel II committee meetings and training sessions and successfully launched its Basel II/III-compliant data collection form - PR16 (Quarterly Statement of Capital, Income and Expenditure) in July 2024.

Work continued on the implementation of the IMF Financial Soundness Indicators (FSI) 2019 Guide, which is the new compilation framework for compilation of FSIs. The Bank made significant strides in building capacity within the Monetary and Financial Statistics (MFS) and Anti-Money Laundering (AML) Unit teams, particularly with respect to validating prudential returns using available technological tools. That effort included hands-on sessions with the AML team, focusing on cleaning qualitative data received from LFIs. The sessions enhanced the team's ability to ensure higher quality data to support the Bank's mandate.

SWIFT's ISO 20022

The ECCB continued its thrust towards adoption of SWIFT's ISO 20022 standards by November 2025. In this regard, engagements were escalated with various stakeholders and key business partners, as the Bank sought to fine-tune formatting requirements and the development of the operating Real-Time Gross Settlement environment.

The Bank made significant strides in building capacity within the Monetary and Financial Statistics and Anti-Money Laundering Unit teams, particularly with respect to validating prudential returns using available technological tools.

Financial Stability

In September 2024, Antigua and Barbuda became the first ECCB member country to officially go live on the ECCU credit bureau system, marking a critical milestone in the region's credit reporting framework.

The ECCB team was also immersed in strengthening capacity on the standards through capacity-building sessions. The commercial banks within the ECCU and the ECCB team participated in SWIFT ISO 20022 training in June 2024 and continues to attend SWIFT Caribbean ISO 20022 monthly webinars.

The ECCB, in its commitment to adhering to international best practices and procedures regarding anti-money laundering, combatting the financing of terrorism and proliferation financing (AML/CFT/CPF), drafted an Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation Financing Policy (AML/CFT/CPF Policy). The Policy seeks to establish a comprehensive framework towards the identification, assessment, monitoring and management of money laundering, terrorist, and proliferation financing risks (ML/TF/PF) associated with all activities of the Central Bank.

The Bank also enhanced its efforts to mitigate the risk of transacting business with sanctioned countries, individuals, and entities. This was achieved through its adoption of SWIFT Transaction Screening to identify high-risk transactions by screening incoming and outgoing financial transactions in real time against up-to-date sanctions lists.

ECCU Credit Bureau

In line with the 2024/2025 strategic objective, the ECCB has actively supported the operational launch of the ECCU Credit Bureau, provided regulatory oversight, and facilitated credit reporting education and awareness initiatives.

The ECCB rolled out a targeted public awareness campaign in the second quarter of 2024, to advance the integration of financial institutions into the credit bureau system. This campaign utilised the ECCB's social media platforms and collaborated with social media influencers across all ECCU member countries to share essential credit reporting tips and information. In 2024, two country missions were undertaken in Saint Christopher and Nevis, and subsequently, Antigua and Barbuda, which were the initial focus territories. During those missions, the ECCB and EveryData ECCU Ltd hosted two town hall sessions in each jurisdiction. In addition, consultations were held with licensed financial institutions to address sector-specific concerns and facilitate a smooth onboarding process. The campaign also engaged wider audiences through radio and television interviews,

Financial Stability

alongside published newspaper articles, ensuring broad public engagement and understanding of credit reporting.

Significant progress has been achieved, with the successful engagement of all banks and credit unions across the ECCU. Subscriber agreements have been shared with all banks and credit unions, and several have been signed. Notably, in September 2024, Antigua and Barbuda became the first ECCB member country to officially go live on the credit bureau system, marking a critical milestone in the region's credit reporting framework.

A landmark achievement during the period was also the successful onboarding of the first credit union in the ECCU—the Saint Kitts Cooperative Credit Union—to the credit bureau system. This milestone represents a significant step toward broader financial sector participation and underscores the growing adoption of credit reporting within the region.

Secured Transaction and Collateral Registry Reform

The ECCB coordinated with the International Financial Corporation (IFC) to facilitate the ECCU Secured Transaction and Collateral Registry initiative across the ECCU. Grenada, as the second pilot member country to initiate the project, engaged consultants to assist in drafting the policy document and the legislative drafting instructions. The ECCB supported Grenada by engaging in discussions with consultants; sharing the Monetary Council-approved-policy documents; and reviewing the outputs of the consultants.

During the year discussions were held with member states and the IFC regarding the options and modalities available for the regional collateral registry. Collaborative project funding was approved by the Caribbean Development Bank (CDB) and the ECCB to propel the project.

Greening the Financial System

The Bank advanced efforts to enable ECCU countries to enhance climate resilience, financial and economic sustainability under the programme for Greening of the Financial System. Through initiatives such as the ECCU Green Finance Strategy and Action Plan, Climate Risk Assessment and Stress Testing project and the Caribbean Resilient Renewable Energy Infrastructure Investment Facility (RREIIF), the programme aims to strengthen the capacity of the financial sector in environment and climate risk management. It also seeks to ramp up investments to finance the transition to sustainable economies.

Over the past year, the Bank collaborated with implementing partners and member countries to complete the following:

- ☑ climate-related financial risk diagnostics and private sector green finance readiness assessments;
- ☑ country renewable energy appraisal missions; and
- ☑ a series of technical consultations, training sessions and webinars involving over 500 financial and non-financial sector actors including: utility providers, power sector regulators and suppliers, renewable energy developers, financiers, governments and the general public.

Financial Stability

Those activities were executed through the support of The World Bank Group, Agence Française de Développement (AFD), and the NDC Partnership. The Bank became a member of the Consultative Group for the Caribbean Chapter of the Glasgow Financial Alliance for Net Zero (GFANZ), which was launched on 13 March 2025. Through this, the Bank continued to leverage global partnerships to build the capacity of financial institutions and eliminate the barriers to private sector investments needed to spur economic growth.

Resilient Renewable Energy Infrastructure Investment Facility

During the year, work on establishing the Resilient Renewable Energy Infrastructure Investment Facility (RREIIF) focused on project preparation activities for facility operationalisation in 2025.

The Bank, in partnership with the World Bank, held national consultations and due diligence missions, prepared, and published the project appraisal document and the environment and social commitment plan. Negotiations for an anchor funding package were held with the participating member governments and implementing institutions. Request for proposals were also prepared to secure consultancy services for policy document and legal amendments.

The multi-instrument RE Facility will significantly scale up private investment in renewable energy by addressing market, institutional, financial, and infrastructure barriers to utility-scale projects. Countries will benefit from:

1. a risk mitigation fund providing partial credit guarantees and other credit enhancements to mobilise private capital via green finance markets;
2. strengthening of national and regional institutional capacity and staffing for project development and preparation; technical support and advisory; project aggregation and procurement;
3. direct investments for renewable energy integration aimed at grid modernisation and resilient infrastructure; and
4. contingent emergency response mechanism to address liquidity and infrastructure restoration post-disasters.

As of March 2025, the governments of Grenada, Saint Lucia and Saint Vincent and the Grenadines had successfully negotiated a multi-million-dollar anchor funding package with The World Bank to operationalise the RREIIF and finance a series of projects during its first phase of operations.

The RE Facility is set to be operationalised in 2025; with the participation of the remaining member states enabled on a phased basis as the Bank works with all countries, development partners and multi-donor funds to secure more concessional and grant resources for project development and financing.

"This Facility is an important vehicle for our journey to build institutional and generating capacity, enhance energy security, boost competitiveness and lower electricity prices for our families and businesses." ~ Governor Antoine.

VIEW *- More about the Resilient Renewable Energy Infrastructure Investment Facility*

Payments Modernisation and Financial Inclusion

A modern, safe and efficient payment system which increases access to affordable financial services, thereby promoting inclusive socio-economic development

Payments Modernisation and Financial Inclusion

The modernisation of payments infrastructure is multifaceted and is regarded as the gateway for addressing matters of financial inclusion, in a more direct and sustainable way. The ECCB has been intentional in accelerating its modernisation efforts by enhancing the legislative framework to position the market for the delivery of an array of cost-effective and ubiquitous payment instruments and access channels, while strengthening its regulatory regime in anticipation of more inclusive, sophisticated and dynamic payments ecosystem.

ECCU Payment System Oversight and Cooperation

The ECCB continued to prioritise the development and adequacy of its oversight function. The framework for oversight and monitoring of Financial Market Infrastructures (FMIs) and Payment Service Providers was finalised and includes:

1. *Manual for Monitoring the Payment and Settlement System;*
2. *Manual for the Collection, Processing and Management of Information;*
3. *Manual for the Assessment and Management of Risks and Risk Models; and*
4. *Manual for Conducting Oversight Examinations.*

The Guidelines for the Designation of Payment and Settlement Systems in the ECCU and the Criteria for Fit and Proper Persons are under review.

The ECCB commenced its comprehensive review and enhancement of the existing suite of data collection templates. The review will ensure that reporting requirements align with developments in the payments' ecosystem.

A second round of self-assessments against the CPMI-IOSCO PFMIs was administered to designated FMIs in December 2024. Intelligence garnered will be used to set the scope of the upcoming on-site examinations.

At the end of January 2025, the Supply Side Survey was developed and administered across a broad cross-section of payment service providers in the ECCU, including: commercial banks, FMIs, credit unions, money transfer operators and fintechs. The survey was strategically aligned with the Bank's public policy objectives for payments: modernisation, accessibility, safety, inclusion, and efficiency. The objective of the survey was to enhance the Bank's understanding of the infrastructure that underpins the payment and settlement system in the ECCU, and identify risks and areas for improvement.

The Bank has on boarded payments service providers to submit two types of reports, namely: (i) monthly data on payment systems activity and (ii) reports on any incidents affecting payment operations. This initiative was executed to improve the collection of payment systems data, support better monitoring of financial market infrastructure and strengthen the resilience of the payments' ecosystem.

DCash 2.0

The Bank undertook comprehensive data processing and reporting of the results from a DCash Public Opinion Survey. That allowed the Bank to collect key insights into public sentiment regarding the adoption of digital currency. The Bank enhanced data collection related to payments,

Payments Modernisation and Financial Inclusion

Effective 10 October 2024, credit unions became eligible to apply for Eastern Caribbean Automated Clearing House (ECACH) membership, affording these institutions the capability to connect and settle directly on the ECACH.

through the design and execution of a Payments Supply Side survey. This survey consolidated six separate surveys into a single streamlined instrument, reducing complexity and increasing efficiency.

Development of a Retail Bond Market

As part of the development of the Regional Government Securities Market, the Bank commenced work on the development of a retail bond market during the financial year. The Regional Debt Coordinating Committee (RDCC) and the Monetary Council approved the development of a retail bond market to encourage greater participation by retail investors and to engender a culture of investment in the ECCU. A main feature of the retail market would be a reduction in the minimum investment amount from EC$5,000 to EC$500.

Wholesale Financial Market Infrastructures and Interbank Markets

Discussions on the development of an Instant Payment System (IPS) continued over the period 27 and 28 October 2024, where internal and external stakeholders participated in a virtual workshop. The High-Level Business Requirements for the IPS and the Real-Time Gross Settlement System and Eastern Caribbean Automated Clearing House Assessment reviews were finalised following the workshop. The draft Blueprint for the Implementation of an IPS was submitted to the ECCB for consideration and its finalisation will conclude the consultancy.

Opening Access to the Eastern Caribbean Automated Clearing House (ECACH)

Effective 10 October 2024, credit unions became eligible to apply for ECACH membership, affording these institutions the capability to connect and settle directly on the ECACH.

Two applications from credit unions for ECACH membership are with the Bank for consideration. The on boarding of the Eastern Caribbean Central Securities Depository and the Saint Vincent Co-Operative Bank Limited to the ECACH is in progress.

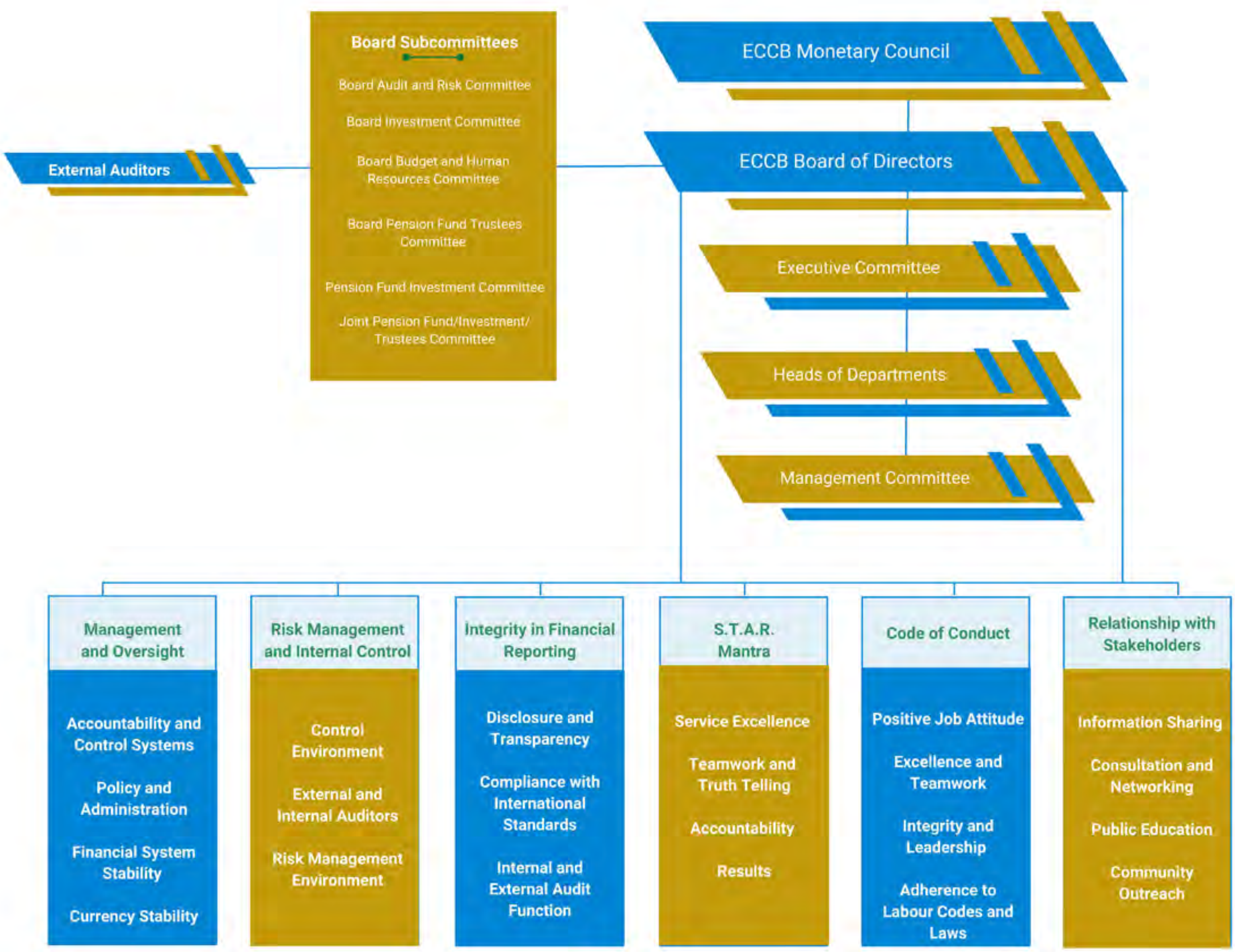
The ECACH, established in 2011, is an automated clearing house network between qualifying financial institutions operating in the ECCB member countries.

Environmental, Social and Corporate Governance

A model, advocate and influencer for environmentally and socially responsive action for sustainable development

Environmental, Social and Corporate Governance

Corporate Governance Framework



Environmental, Social and Corporate Governance

The Bank is guided by best practices of corporate governance and as such, the Bank is committed to ensuring that this attribute is preserved in its operational procedures and processes.

The ECCB's Corporate Governance Framework is reinforced by the following pillars:

1. Firm foundation for management and oversight;
2. Proactive and sound risk management and internal control;
3. Integrity in financial reporting;
4. Code of Conduct that endorses ethical values; and
5. Reciprocal relationship with stakeholders.

The Corporate Governance Framework is directed by:

1. The ECCB Agreement Act, 1983 (as amended) and the Banking Act, 2015;
2. The corporate governance principles for the Organisation of Eastern Caribbean States (OECS);
3. The legal and regulatory framework of the ECCB member countries; and
4. Best practices in the local and international arena.

The framework promotes accountability; ensures that appropriate control systems are developed and are operationalised to address related risks; and fosters innovation through critical thinking and problem solving in pursuit of the Bank's objectives.

Administration and Management

Monetary Council

The Monetary Council is the highest decision-making body of the Bank and constitutes the eight Ministers with responsibility for the Ministries of Finance within the ECCB Participating Member Governments. The ECCB Agreement, Article 7 (1) allows for each Minister to designate an Alternate, who must also be a minister of government, to serve in his/her stead during the absence of said Council Member.

Chairmanship of the Monetary Council

Chairman
ECCB Monetary Council
Hon Cora Richardson-Hodge
Minister for Finance and
Monetary Council Member
for Anguilla

The Chairmanship of the Monetary Council is held for one year and is rotated among Participating Member Governments in alphabetical order.

Honourable Cora Richardson-Hodge, Minister for Finance and Monetary Council Member for Anguilla, currently serves as the Chairman of the Monetary Council and assumed the position in February 2025 post general elections in Anguilla. The Chair was held by previous Premier and Minister for Finance, Government of Anguilla, Honourable Ellis Webster from July 2024 until he demitted office in February 2025.

New Monetary Council Members

Honourable Reuben T Meade was appointed as Premier and Minister for Finance, Government of Montserrat in October 2024. In February 2025, Honourable Cora Richardson-Hodge was appointed

Environmental, Social and Corporate Governance

Governor Antoine (middle) with members of the Monetary Council at the 110th meeting held at ECCB Headquarters, 14 February 2025. L-R: Hon Camillo Gonsalves, Saint Vincent and the Grenadines; Hon Gaston Browne, Antigua and Barbuda; Hon Dr Irving McIntrye, Commonwealth of Dominica; Hon Dr Ellis Webster, Anguilla (then Chairman); Hon Dennis Cornwall, Grenada; Hon Reuben Meade, Montserrat; Hon Dr Terrance Drew, Saint Christopher and Nevis; and Hon Philip J Pierre, Saint Lucia

to the office of Premier and Minister for Finance, Government of Anguilla.

By virtue of holding the portfolio of the Minister with responsibility for Finance, and in keeping with the Articles of the ECCB Agreement Act, Honourable Meade and Honourable Richardson-Hodge were each appointed as the Monetary Council Member for their respective member countries.

Meetings of the Monetary Council

Statutory Meeting Dates

Article 7 (2) of the ECCB Agreement states, "The Council shall meet not less than twice each [calendar] year to receive from the Governor the Bank's report on monetary and credit conditions and to provide directives and guidelines on matters of monetary and credit policy to the Bank and for such other purposes as are prescribed under this Agreement."

Monetary Council Meetings are held on a calendar-year basis. The ECCB Monetary Council Rules further clarify the location for meetings:

- ☑ February: At the principal office of the Eastern Caribbean Central Bank, Bird Rock, Basseterre, St Kitts;
- ☑ July: In the country of the Participating Government whose representative is due to assume chairmanship of the Council;
- ☑ October: Via videoconference or other approved medium from the Bank's Headquarters in St Kitts and Nevis to the offices of the respective Council Members or Alternate members.

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The Monetary Council convened the following meetings in 2024:

- ☑ 108th Meeting of the Monetary Council and Ceremony to Mark the Change in Chairmanship of the Council - 19 July 2024, Anguilla;
- ☑ 109th Meeting of the Monetary Council, 18 October 2024 - Virtual Transmission; and
- ☑ 110th Meeting of the Monetary Council, 14 February 2025 - Saint Christopher (St Kitts) and Nevis.

Ministerial Subcommittee on Insurance Meetings

The Ministerial Subcommittee on Insurance, a subcommittee within the ECCB Monetary Council, is chaired by Honourable Gaston A Browne, Prime Minister and Minister for Finance, Antigua and Barbuda. The Chair is supported by Honourable Dr Irving McIntyre, Minister for Finance, Commonwealth of Dominica; and Honourable Camillo Gonsalves, Minister for Finance, Saint Vincent and the Grenadines.

The Ministerial Subcommittee guides the work of the Monetary Council on policy matters affecting the insurance sector. The Committee oversees the implementation of the decisions taken by the Monetary Council pertinent to the regulation, supervision and rationalisation of the insurance sector.

Meetings are convened on a calendar-year basis.

In 2024, the Subcommittee met virtually on 4 April and 26 July.

The Board of Directors

The powers of the Bank are vested in the Board of Directors. The Board of Directors is responsible for the policy and general administration of the Bank. According to the ECCB Agreement Act Article 8 (2), "The Board shall have power to make, alter or revoke regulations, notices and orders for the purpose of giving effect to the provisions of this Agreement." The Board of Directors is responsible for submitting recommendations to the Monetary Council on such matters as the external value of the EC dollar; the denomination, composition, form and design of the currency to be issued; the terms and conditions for temporary advances to Participating Governments; and interest rates. Appointed Directors are required to consider the interests of all the members of the ECCU in their decision-making process.

Composition of the Board of Directors

The Board consists of the Governor, Deputy Governor and one Appointed Director endorsed by each participating government. Appointed Directors are recommended for terms not exceeding three years and are eligible for re-appointment. Recommendations of individuals to serve on the Board are presented to the Monetary Council for ratification. The Governor and the Deputy Governor are appointed by the Monetary Council for a period not exceeding five years and are eligible for re-appointment.

The Governor

The Governor serves as Chairman of the Board of Directors. As Chief Executive Officer of the Bank, the Governor is responsible to the Board for the implementation of policies and the day-to-day

Environmental, Social and Corporate Governance

management of the Bank. He is required to attend all meetings of the Monetary Council.

The Governor has the authority to act, contract and sign instruments and documents on behalf of the Bank, and may by resolution of, and to the extent deemed appropriate by the Board, delegate such authority to other officers.

The Deputy Governor

In accordance with the ECCB Agreement, "During the absence or disability of the Governor or during any vacancy in the office of the Governor, the Deputy Governor shall exercise the powers and duties of that office. The Board shall make provision for the simultaneous absence or disability of the Governor and the Deputy Governor." Like the Governor, the Deputy Governor is to devote the whole of her professional time to the service of the Bank while holding office.

Meetings of the Board of Directors

The Board is required to meet as often as the business of the Bank may require but not less than once every three calendar months. During any given calendar year, the Board convenes four meetings. Five Appointed Directors at any meeting constitutes a quorum.

Six subcommittees assist with the execution of the mandate of the Board:

1. Board Audit and Risk Committee (BARC);
2. Board Investment Committee;
3. Board Budget and Human Resources Committee;
4. Pension Fund Trustees Committee;
5. Pension Fund Investment Committee; and
6. Joint Pension Fund and Investment Committee.

In accordance with Article 13 (1) of the ECCB Agreement Act, the Board of Directors convened the statutory number of meetings during the period under review, face-to-face and via videoconferencing:

- ☑ 13 June 2024 - Meeting of the Board Audit and Risk Committee
- ☑ 14 June 2024 - 193rd Meeting of the Board of Directors (plenary and caucus)
- ☑ 26 September 2024
  - Meeting of the Board Investment Committee
  - Meeting of the Board Audit and Risk Committee
- ☑ 27 September 2024 - 194th Meeting of the Board of Directors (plenary and caucus)
- ☑ 23 January 2025
  - Meeting of the Board Budget and Human Resource Committee
  - Meeting of the Board Investment Committee
  - Meeting of the Board Audit and Risk Committee
- ☑ 24 January 2025 - 195th Meeting of the Board of Directors (plenary and caucus)
- ☑ 19 March 2025 - Meeting of the Board Audit and Risk Committee
- ☑ 20 March 2025 - 196th Meeting of the Board of Directors (plenary and caucus)

Risk Management and Internal Control

The Board Audit and Risk Committee continues to provide guidance to the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process; and to provide a

Environmental, Social and Corporate Governance

system of internal control, risk management, and compliance monitoring with laws, regulations, and the code of conduct. Specific to the work of the Committee, consultations were held with the Bank's management team, officers, and the Internal Audit Department.

The BARC comprises the following Appointed Directors:

1. John Skerritt, Chairman - Appointed Director for Montserrat;
2. Hilary Hazel, Deputy Chair - Appointed Director for Saint Christopher (St Kitts) and Nevis;
3. Kathleen Rogers - Appointed Director for Anguilla; and
4. Edmond Jackson - Appointed Director for Saint Vincent and the Grenadines.

Integrity and Financial Reporting

Disclosure and Transparency

In keeping with international best practices, and in accordance with statutory requirements, the Bank publishes its statement of assets and liabilities on a monthly basis and the audited annual financial statements by the end of June each year.

Compliance with IFRS Accounting Standards

The Bank remains compliant with IFRS Accounting Standards and continues to implement measures to stay current with ongoing developments and amendments to these standards.

Code of Conduct

The Bank's overriding code of conduct is encapsulated in its value statement as follows: "The Bank values a results-focused approach in delivering timely, relevant and high-quality output for the benefit of the people of the ECCU." The behaviour of management and staff is governed by various policy documents including:

1. The Eastern Caribbean Central Bank Corporate Governance Charter;
2. Conflict of Interest Policy;
3. Media Relations Policy;
4. Information Systems and Security Policy;
5. Eastern Caribbean Central Bank Staff Regulations;
6. The ECCB's Guide – Protocol, Diplomacy and Etiquette;
7. Energy Management Policy; and
8. Financial Regulation.

Relationship With Stakeholders

Stakeholder Involvement

Meetings were held both virtually and in-person during the financial year. Networking and consultative meetings were convened as scheduled. Meetings were held biannually while some engagements were held on an annual basis in keeping with the respective terms of reference. The meetings allowed for continued productive stakeholder engagement, welcoming a cross-section of participants from the various institutions.

The networking and consultative meetings were convened at a sector level, allowing for institution-based learning to be shared and for responses to be generated for use at the national and regional levels.

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Networking and Consultative Meetings convened during the financial year

- Joint Meeting with Attorneys General and Chief Parliamentary Counsels
- Meeting with ECCU Heads of Policy and Economic Units
- Joint Meeting with Accountants General, Directors of Audit and Directors of Budget
- 37th Meeting of the Regulatory Oversight Committee
- 18th Meeting with Licensed Financial Institutions
- Meeting with ECCU Financial Secretaries
- Meeting with ECCU Development Banks
- 38th Meeting of the Regulatory Oversight Committee
- 19th Meeting with Licensed Financial Institutions
- Joint Meeting with Accountants General, Directors of Audit and Directors of Budget
- 48th Meeting of the Regional Debt Coordinating Committee
- 20th Meeting with Licensed Financial Institutions
- Annual Meeting with ECCU Chiefs/ Commissioners of Police
- Meeting with ECCU Development Banks
- 61st Meeting with ECCU Directors of Social Security Systems
- 39th Meeting of the Regulatory Oversight Committee
- 21st Meeting with Licensed Financial Institutions

Joint Meeting with Attorneys General and Chief Parliamentary Counsels, Antigua and Barbuda - April 2024

Joint Meeting with Accountants General, Directors of Audit and Directors of Budget ECCB Headquarters - October 2024

Meeting with ECCU Financial Secretaries, ECCB Headquarters - October 2024

Environmental, Social and Corporate Governance

Establishment of the Corporate Governance Unit

The Corporate Governance Unit (CGU) was established in the Governor's Office on 1 September 2024. The CGU was instituted to, inter alia:

1. Enhance corporate governance to support greater effectiveness and impact;
2. Bring clarity to the vision of the Bank's Culture and Change Management Initiative (CCMI);
3. Develop and collaborate with the Human Resource Department in implementing the CCMI; and
4. Collaborate and provide support to all departments in the development, monitoring and implementation of the Bank's Strategic Plan.

The CGU executes its mandate under three broad areas, namely:

- ☑ Governance and Meetings Management;
- ☑ Strategy and Strategic Plan Development and Implementation; and
- ☑ Culture and Change Management.

Corporate Governance Unit Staff

Governance and Meetings Management

The Governance and Meetings Management remit of the Unit focuses on making logistical and administrative arrangements for most meetings at the ECCB, including Statutory Meetings of the Monetary Council, ECCB Board of Directors, networking and consultative meetings with external stakeholders. A key highlight during the year was the successful coordination of the Bank's flagship Annual Conference with Licensed Financial Institutions in November 2024.

Strategy and Strategic Plan Development and Implementation

The Bank's Strategic Plan defines the organisation's goals for a five-year period, to achieve our mandate, fulfil our vision and advance the good of the people of our Region. The Bank, through the CGU, has been actively monitoring and supporting the implementation of key projects under the Bank's Strategic Plan and providing quarterly updates to the Board of Directors. The updates provide an overview of the initiatives included in the 2022-2026 Strategic Plan to achieve the objectives under the five strategic themes:

1. Financial Stability;
2. Payments Modernisation and Financial Inclusion;
3. Environmental, Social and Corporate Governance;
4. Data and Digital Transformation; and
5. Organisational Effectiveness and Development.

All objectives are aimed at enhancing financial stability, promoting inclusion, and supporting sustainable development in the ECCU. These

Environmental, Social and Corporate Governance

initiatives support the Bank's mission of "*Advancing the good of the people of the currency union by maintaining monetary and financial stability and promoting growth and development.*"

Culture and Change Management

CULTURE AND CHANGE MANAGEMENT INITIATIVE
EMBRACING CULTURE CHANGING BEHAVIORS

Culture and Change Management Initiative logo designed by staff member, Louisianne Josiah Roberts

The Bank, through its strategic intent to support organisational effectiveness, reinvigorated its culture and change management initiatives. An opportunity for active listening and action was provided by the CGU, in which the Bank's culture was clarified and reinforced to:

- Create a common understanding and commitment among staff;
- Embed the Bank's transformational agenda to serve as the foundation for the transformation of the ECCU;
- Articulate, promote, and support the desired behaviour consistent with the Bank's culture; and
- Cultivate a growth mindset aligned with the Bank's S.T.A.R. Mantra: Service Excellence, Teamwork and Truth Telling, Accountability, and Results.

President of the Staff Association, Kezron Walters engages Governor, Timothy N. J. Antoine in the first Conversations with the Executive, on 29 May 2024. Staff joined the conversation and posed their questions and concerns to the Governor via videoconferencing

This was accomplished through the execution of various Culture and Change Management Initiatives (CCMI) including:

- Introduction of the CCMI initiative to the staff body, including the launch of the CCMI logo competition;
- Launch of Conversations with the Executive – An internal engagement forum for staff to interact with members of the ECCB's Executive and Senior Management;
- Training of the Bank's Management Team and members of the Corporate Governance Unit in Strategic Change Management;
- Regular updates on CCMI to staff via monthly staff meetings; and
- Enhanced Onboarding: Systematically integrated CCMI principles into onboarding processes for all new staff and interns, to embed Core Values, Mission, and Vision from day one.

Environmental, Social and Corporate Governance

Financial Information Month Festival - October 2024

The Financial Information Month (FIM) Festival partners coordinated and successfully executed activities for the 2024 FIM Festival, engaging residents and citizens of the ECCU on the area of focus: Financial Investing: From Savers to Investors.

Planning Committees in the ECCB member countries formulated country-specific sub-themes and launched various initiatives aimed at encouraging individuals and businesses to prioritise financial investing. The sub-themes included:

- ☑ **Opening a Bank Account:** In an effort to promote inclusivity, the FIM Festival partners, through this sub-theme, encouraged residents of the ECCU to become part of the ECCU financial system by considering and taking steps toward opening bank accounts if they had not already done so.
- ☑ **Consistency in Savings:** Various initiatives including: workshops and radio programmes were executed to encourage individuals to make saving a way of life.
- ☑ **Investing:** FIM Festival partners and subject matter experts implored the public to consider the various investment opportunities available to enhance their financial futures. Additionally, individuals were urged to explore investment options through the Eastern Caribbean Securities Exchange.

About FIM

The FIM Festival is a regional financial, economic, business and entrepreneurial education campaign executed in the ECCU in October since 2002, through the collaborative efforts of the ECCB, ECCU member governments, financial and academic institutions, the media, other private and public sector institutions and community-based groups. The month forms part the ECCB's financial education programme which incorporates a series of initiatives designed to support the attainment of the goal of "a financially developed and vibrant ECCU region that fosters strong and sustainable economic growth and the improved wellbeing of the citizenry."

Environmental, Social and Corporate Governance

FLM 2024 - Featured Events

Youth Symposium – Saint Vincent and the Grenadines

The FIM partners in Saint Vincent and the Grenadines hosted a National Youth Symposium on 15 October, 2024. The main objective of the event was to build capacity among the youth to enable access to and application and utilisation of investment opportunities available in the ECCU. The session also followed global investment trends and various investment options ranging from real estate to cryptocurrencies.

The 60 participants comprising secondary and college students, were exposed to presentations on various investment opportunities from real life practitioners and participated in exercises where the top three were awarded the opportunity to invest in mutual funds.

Treasure Your Future: A Financial Quest - Antigua and Barbuda

This fun event was designed to empower participants with basic knowledge about financial investing and encouraging them to move from savers to savvy investors.

The intention was for participants to receive financial tips, explore various products and services offered by participating institutions that encourage saving and investing, and understanding basic financial calculations.

Whether participants were new to finance or experienced investors, the scavenger hunt provided the perfect opportunity to learn and grow in a dynamic and interactive way! Thirty-two teams, comprising three to five members, of all ages, participated.

Environmental, Social and Corporate Governance

FIM 2024 - Featured Events

Children's Library Hour – Saint Christopher (St Kitts) and Nevis

The Children's Library Hour was designed to introduce children aged five to 12 to the world of investing. Held in a warm, interactive setting at the Charles A Halbert Public Library in Saint Christopher (St Kitts) and Nevis, the session transformed a traditionally adult topic into a fun and engaging learning experience for young minds.

The area of focus: *From Savers to Investors* was broken down into age-appropriate concepts using stories, games and interactive exercises to which children could easily relate. The session aimed to lay a strong foundation for financial literacy from an early age. The facilitators used visual aids, storytelling, and interactive activities to help children grasp the basics of how money works, the idea of setting goals, and the importance of making smart choices.

The Children's Library Hour successfully combined education and entertainment, making it clear that it is never too soon to start learning about money. By planting the seeds of financial knowledge early, the event supported FIM Festival's broader goal of fostering a financially perceptive generation from the ground up.

Financial Knowledge Competition - Commonwealth of Dominica

Fifty students from the Dominica State College took up the challenge to demonstrate their knowledge of FIM and basic financial matters, via the FIM Kahoot Game on 16 October 2024. Garrick Coipel (1st place), De-Andre Phillip (2nd place), and Sky Bully-Casimir (3rd place), exhibited knowledge and speed to win prizes and bragging rights!

During the event, FIM partners also delivered presentations on their products and services and encouraged the students to open an account, save and start their financial journey.

The objectives of the event were to increase financial awareness of the students, promote FIM partners' products, engage students, have fun and give the students an opportunity to win cash prizes.

Environmental, Social and Corporate Governance

4th ECCB International Netball Series Champs - Team Saint Vincent and the Grenadines

ECCB International Netball Series

The ECCB, in collaboration with the Caribbean Netball Association and the Saint Lucia National Netball Association, hosted the 4th ECCB International Netball Series in Saint Lucia from 21 to 30 September 2024.

Seven teams from ECCB member countries, Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, Saint Lucia, and Saint Vincent and the Grenadines, competed in 21 matches for the prestigious Gloria Ballantyne Championship trophy. The Cayman Islands joined as a guest team, seeking to enhance its international netball ranking.

Team Saint Vincent and the Grenadines dominated the series and claimed the championship trophy. Grenada and Saint Lucia placed second and third, respectively.

Team Anguilla, which participated in the tournament for the first time in over a decade, was acknowledged as the most improved team in the series.

The netballers and officials also participated in the ECCB Developmental Session which focused on Overcoming Adversity, Building Resilience and Stress Management.

***VIEW** - Opening and closing ceremonies and matches of the 4th ECCB International Netball Series held in Saint Lucia 21 -30 September 2024.*

Environmental, Social and Corporate Governance

2024 ECCB/Regional Security System-Asset Recovery Unit Creative Youth Competition

The ECCB, in collaboration with the Regional Security System-Asset Recovery Unit (RSS-ARU), called on youth aged 13 to 19 from the eight ECCB member countries to unleash their word power and creativity, to help shape our region through their lyrical acumen for the 2024 competition.

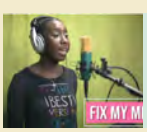
Given the popularity of the songwriting genre in the previous year, the art form was selected for the 2024 edition of the competition. Participants were invited to share their views, through song, on one of the three following topics:

- ☑ Food Security for the Caribbean
- ☑ My Vision for the Eastern Caribbean Dollar
- ☑ Mental Health of Teens and Young Adults

The top three winners in the two age categories: 13 - 16 and 17 - 19 wrote their songs on the topic: Mental Health of Teens and Young Adults.

Since the inception of the competition in 2018, the ECCB has awarded over $182,000.00 in prizes and grants to the winners and their respective schools.

The ECCB/RSS-ARU Creative Youth Competition is part of the ECCB's Community Outreach Programme aimed at encouraging critical and innovative thinking among the region's youth as well as raise their awareness on issues of social and economic development.



***VIEW** - Winning entries for the 2024 ECCB/ RSS-ARU Creative Youth Competition*

Meet the Top Performers

Age 13 - 16 Category

1st Place: Sienna Andrews
Convent High School
Commonwealth of Dominica

2nd Place: Beata Vidal
Convent High School
Commonwealth of Dominica

3rd Place: Faith Gibson
Antigua Girls' High School
Antigua and Barbuda

Age 17 - 19 Category

1st Place: Kamron Paul
Sir Arthur Lewis Community College
Saint Lucia

2nd Place: Dawson Billingy
SVG Community College
Saint Vincent and the Grenadines

3rd Place: Joshua Browne
SVG Community College
Saint Vincent and the Grenadines

Environmental, Social and Corporate Governance

Governor, ECCB - Timothy N.J. Antoine (right) presents Inaugural Distinguished Bank of the Year Award to Managing Director, Bank of Saint Lucia Ltd - Rolf Phillips

ECCU Bank of the Year Awards

The ECCB presented the inaugural ECCU Distinguished Bank of the Year Award to Bank of Saint Lucia Ltd during the awards ceremony held at the ECCB Headquarters on 12 November 2024.

The ECCU Distinguished Bank of the Year Award was launched in 2024 to honour banks that demonstrate the ability to turn challenges into opportunities through strategic initiatives and innovative business practices in a dynamic market environment.

Bank of the Year Awards were presented to the banks that demonstrated exceptional performances in the following categories:

1. **Corporate Social Responsibility** – Bank of Saint Lucia Ltd;
2. **Customer Service** – Grenada Co-operative Bank Limited;
3. **Financial Education and Empowerment** - Bank of Saint Lucia Ltd;
4. **Support to Micro, Small and Medium Enterprises (MSMEs)** – Bank of Saint Lucia Ltd; and
5. **Technological Innovation** – CIBC (Antigua)

L-R: Managing Director, Grenada Co-operative Bank Limited - Larry Lawrence; Managing Director, Bank of Saint Lucia Ltd - Rolf Phillips; Country Manager, CIBC (Antigua) - Ladesa James; Governor, ECCB - Timothy N.J. Antoine

***VIEW** - Bank of the Year Awards Ceremony held at ECCB Campus - 12 November 2024*

Environmental, Social and Corporate Governance

ECCB Connects: Who We Are. What We Do. How We Serve You

The ECCB continued its mission to inform and connect with the people of the ECCU and beyond through its acclaimed public education initiative, *ECCB Connects*.

This award-winning series, produced by the Bank, aims to deepen public understanding of the ECCB's role and functions while shedding light on key financial and economic issues.

Since the inception of the programme, the Bank has released 355 episodes over 27 seasons. Some of the topics featured during the financial year were:

1. Credit Reporting in the ECCU;
2. Applying for Small Business Loans;
3. Family Financial Planning;
4. Understanding Inflation;
5. Opening a Basic Bank Account;
6. The Eastern Caribbean Partial Credit Guarantee Corporation's new loan programme; and
7. Investing on the Regional Government Securities Market.

During the first quarter of 2025, the ECCB introduced a new segment titled: *ECCB in Action*, a quarterly summary of key initiatives, policies and projects undertaken by the Bank in service to the governments and people of the ECCU.

***VIEW** - First episode of ECCB in Action released on 15 January 2025*

ECCB Children's Connection Radio Programme

The Bank continued its thrust to assist with the educational development of youth in the ECCU through the ECCB Children's Connection Radio Programme. Children aged five to 12 and their friends and families tuned in once a month to 10 of the radio stations throughout the ECCU to listen to and participate in lessons on the fundamentals of financial matters and economics. Among the topics covered during the financial year were: Consumerism, Inflation, Investing, Works and Jobs and Reducing Waste.

The call-in segment after each lesson afforded the listeners the opportunity to share what they learnt and win prizes. Listeners were also treated with a value lesson where the programme's mascot – Owliver – the hosts and the co-hosts discussed the word of the day.

Foreground-Background: Auntie Abi McCoy, host; Jaydene Carter, former co-host; and London Charles, current co-host during the broadcast of the programme on ABS Radio, Antigua and Barbuda

Environmental, Social and Corporate Governance

ECCB Provides Groundbreaking Media Training to ECCU Police Officers

In a significant step towards enhancing communication and media engagement capabilities among police forces in the ECCU, the ECCB hosted the inaugural Media Training for ECCU Police Officers at the ECCB Headquarters on 27 – 28 March 2025. The training stemmed from a decision taken at the Meeting of ECCU Commissioners of Police in November 2024.

Participants, facilitators and officials: ECCB Police Media Training held at ECCB Headquarters 27 - 28 March 2024

This first-of-its-kind training underscores a growing recognition within the ECCU that effective law enforcement requires not only tactical strength but also strong communication, transparency, and community engagement. The ECCB's interest in developing modern, citizen-focused policing signals it continued commitment to regional capacity building.

Seventeen officers representing all eight ECCU member countries participated in the training. Over the two-day training, the police officers were exposed to a range of critical media and communication topics delivered by regional experts, who presented in-person and virtually. The topics covered were:

- *Understanding Media* – UNDP Project Coordinator, Dr Carel Hodge;
- *News Writing and Media Relations* – Director, Corporate Relations Officer, ECCB, Shermalon Kirby;
- *Public Relations and Community Engagement/Hosting Media Conferences* – Commissioner of the Royal Antigua and Barbuda Police Force, Atlee P Rodney;
- *Leveraging Social Media* – Sergeant, Jamaica Constabulary Force, Kayla Keane (virtual)
- *Storytelling with Statistics* – Data Specialist, Research, Statistics and Data Analytics Department, ECCB, Dr Leah Sahely;
- *AI Communication Tools* – Instructor, Dominica State College, Malisa Richards (virtual); and
- *Crisis Management and Communication* – Communications Consultant, Institute for Reputation Management, Lisa-Ann Joseph (virtual).

Interactive methodologies such, as role playing, group exercises, and a fun Kahoot-powered assessment enhanced knowledge retention.

Environmental, Social and Corporate Governance

L-R: Chief Director (Policy) - D Tracy Polius PhD; Governor - Timothy N.J. Antoine; Director, Advisory Services - Emefa Sewordor PhD

Spring Meetings of the World Bank Group and International Monetary Fund

A delegation led by Governor Timothy N.J. Antoine attended the Spring Meetings of the World Bank Group and the International Monetary Fund (IMF) in Washington, DC, over the period 15 – 19 April 2024. The ECCB delegation engaged in bilateral discussions with several stakeholders from the World Bank Group, the IMF, the Bank for International Settlements and the United States Treasury Department, among others.

In addition to building stronger networks, the delegation embraced the opportunity to continue advocacy on pertinent issues affecting the development of the ECCU member countries. These included: the Bank's *Big Push* agenda; climate resilience; and Citizenship by Investment Programmes.

Annual Meetings of the World Bank Group and International Monetary Fund

The Governor headed the ECCB's attendance at the 2024 Annual Meetings of the World Bank Group and the International Monetary Fund (IMF), convened in Washington, DC during the period 21 to 26 October 2024. The theme "Progress and Ambition for the Future" provided the opportunity to discuss a wide range of issues including agriculture and food security, global rising debt, poverty, climate change challenges, sustainable development, and economic opportunities for women. The Bank's delegation met with colleagues from the IMF, World Bank, International Finance Corporation, correspondent banks and several other stakeholders. Through those meetings, the ECCB strengthened its partnerships and discussed capacity development and joint research in key strategic areas that will contribute significantly to the development of the ECCU. The Bank advocated on many important issues for the region, including: cross-border payments, correspondent banking relationships, artificial intelligence, renewable energy, and Citizenship by Investment Programmes.

L-R: Governor - Timothy N.J. Antoine; Chief Director (Policy) - D Tracy Polius PhD; Director (Ag), Research, Statistics and Data Analytics Department - Juletta Endinborough; Director, Advisory Services - Emefa Sewordor PhD

Environmental, Social and Corporate Governance

Citizenship by Investment Programmes Initiative

Engagement with CIP/CBI programmes stakeholders
Saint Christopher and Nevis - March 2025

The ECCB continued to work with the Citizenship by Investment Programmes (CIP/CBI) Technical Group and stakeholders to advance the cause of the Programmes in the ECCU. Given the significance of the Programmes to the survival of the economies of the ECCU, the countries continued to make progress on implementing the Six CBI Principles, which the Heads of Government had initially agreed to in March 2023. Countries have also agreed to cooperate and share information, to enhance the integrity and security of the Programmes.

ECCB has been providing technical and administrative support to member countries towards the establishment of a Regional Regulator for CIP/CBI. In September 2024, an eight-member Interim Regulatory Commission (IRC) was appointed. The IRC comprises a representative from each CIP/CBI country, along with representatives from the ECCB, OECS Commission and CARICOM IMPACS/Joint Regional Communications Centre. The ECCB Governor chairs the IRC. The main objective of the IRC is to oversee the establishment of the Regional Regulator, which would set standards, regulate and supervise the CIP/CBI Programmes to enhance their governance. The key goals are to protect and sustain the Programmes for the development of the region.

The IRC, through a competitive request for proposal process, selected a legal drafting consultant to develop the legislative framework that would establish the Regional Regulator. Commencing in March 2025, the IRC held a series of broad and inclusive in-country consultations with stakeholders from government, the CIP/CBI industry and social partners, to sensitize them about the Regional Regulator Initiative and to solicit their feedback to guide the drafting of the legislation. By the end of March 2025, consultations for Saint Christopher (St Kitts) and Nevis, the Commonwealth of Dominica and Grenada were concluded. The consultations in Saint Lucia and Antigua and Barbuda are scheduled for April 2025.

Engagement with CIP/CBI programmes stakeholders
Saint Lucia - March 2025

Engagement with CIP/CBI programmes stakeholders
Grenada - March 2025

Environmental, Social and Corporate Governance

Student Programme for Innovation in Science and Engineering

The ECCB 2024 Student Programme for Innovation in Science and Engineering (SPISE) scholars were Daena Fontenelle from Saint Lucia and D'Aundré Samuel from Antigua and Barbuda. Both students aspire to careers in engineering.

The Caribbean Science Foundation administers the SPISE programme to increase the low numbers of Caribbean students pursuing advanced degrees in science and engineering. Through the ECCB's sponsorship, 17 students from the ECCB member countries have participated in the programme since 2016.

ECCB Bright Sparks Internship

The ECCB selected two students for the 2024 Bright Sparks internship: Davaine Richards from the Montserrat Community College, and Shirquanne Simon from the Antigua and Barbuda International Institute of Technology.

The Bright Sparks programme gives students who graduate from regional tertiary institutions' Information Technology (IT) programmes, the opportunity to obtain entry-level IT professional experience. Both students are attached to the Management Information Systems Department.

Shirquanne Simon
Antigua and Barbuda Int'l Institute of Technology

Davaine Richards
Montserrat Community College

VIEW *- More about the ECCB Bright Sparks Programme*

Digital and Data Transformation

A model central bank optimising digital technologies to enhance resilience and responsiveness and supporting the buildout of a digital economy in the ECCU

Digital and Data Transformation

The Bank commenced work on drafting a Data and Artificial Intelligence (AI) Strategy to strengthen data management, incorporate and integrate AI into work programme activities and institutionalise data governance practices.

The Bank successfully onboarded the ECCB-licensed non-bank financial institutions (NBFIs) to its data reporting and management software, SAS, on 1 October 2024, thereby broadening the coverage of its monetary and financial statistics. Historical data that were being submitted via email to the Bank were also migrated to the system. The Bank also provided training and technical assistance to various financial institutions in the classification of financial accounts, as well as in the requisite protocols for data submission. This was aimed at ensuring accurate financial reporting.

The Bank initiated the development process to integrate food imports data into its SAS data management software. The goal of this was to enhance efficiency in preparing and managing information for the Food Import Bill Tracker.

The Bank commenced work on drafting a Data and AI Strategy to strengthen data management, incorporate and integrate Artificial Intelligence (AI) into work programme activities and institutionalise data governance practices.

Implementation of Data Analytics System

The ECCB advanced its work on the implementation of a new data warehouse and the development of a data and artificial intelligence strategy. During the financial year, the Bank engaged in the process of requirements identification to support design of the new data warehouse.

The Bank also established a Data and AI strategy committee, which supported the process pf development of the Data and AI Strategy. This strategy will include elements such as data governance, and guardrails for use of AI models. The next stage the data warehouse is the procurement of services for the design and implementation of the warehouse.

Digital and Data Transformation

STEM Camps

In the summer of 2024, 16 teams representing 250 high school students, aged 13-18, from Antigua and Barbuda, Saint Christopher (St Kitts) and Nevis, and Saint Lucia demonstrated their technological prowess with the unveiling of their health care and disaster management Chatbots in a competitive Chatbot Showcase on 30 August 2024. The students were graduates of the ECCB Generative AI and Python Four-Week Summer camps sponsored by the ECCB and the Government of Republic of China (Taiwan) and piloted in Antigua and Barbuda, Saint Christopher (St. Kitts) and Nevis and Saint Lucia.

The campers' Chatbot designs were marked by impressive creativity, technical sophistication, and a clear vision of real-world applications, offering compelling proof of the practical and impactful knowledge they gained.

The Generative AI and Python Summer Camp was conceived as a transformative educational experience for ECCU youth, aged 13 to 18. It is designed to arm them with cutting-edge skills in Python programming, artificial intelligence, data analytics and user experience design. These disciplines are not only pivotal for the future of our society, but are also directly aligned with the evolving skill needs of the region's economic landscape and work demands.

Throughout the camp, students were engaged in intensive hands-on learning and collaborative group projects, where they demonstrated remarkable growth in technical proficiency and creative problem solving.

Digital and Data Transformation

Similar camps are being organised in 2025 for students of the eight ECCB member countries. The Chatbots from level 1 participants will focus on one of the three themes:

- ☑ Financial Education
- ☑ Crime Mitigation
- ☑ Heritage Tourism

Level 2 students (graduates of level 1, camp 2024) will focus on graphic design, music, and multimedia underpinned by generative AI and Python coding. The development of an interactive multimedia piece combining music, visuals, and text to promote their country's culture/cultural heritage is the basis for their final project. Student teams will present their final projects and receive awards for 1st, 2nd and 3rd places.

Organisational Effectiveness and Development

- *A highly skilled, competent, caring and engaged staff focused on service excellence, teamwork, accountability and results*
- *An operating environment that supports staff wellbeing, development, creativity and innovation*
- *A responsive central bank that meets the needs of the people of the ECCU with speed*

Organisational Effectiveness and Development

Key Staff Statistics

Organisational Effectiveness and Development

In its quest to deliver exceptional, timely and credible service to its clients and stakeholders, the Bank was guided by the theme: 2024 - A Year of Implementation, Impact, No Excuses. The Bank committed to ACEE Leadership, and management was encouraged to lead with Agility, Clarity, Energy and Empathy. Those principles were the benchmarks as the Bank implemented, advanced and revisited initiatives, programmes and policies aimed at supporting staff wellbeing, increasing competence and encouraging innovation and creativity.

Talent Acquisition

During the year, the Bank focused primarily on strengthening its talent acquisition process, enhancing employee development, deepening engagement, and addressing employee compensation.

In its pursuit to attract, hire and retain highly trained and competent personnel, the Bank welcomed and on boarded 42 new recruits within 10 departments. Throughout the year, the Bank refined its recruitment processes and procedures geared towards the alignment of hiring practices with the institution's core values (Star Mantra) and culture.

The ECCB remained committed to fostering a diverse and inclusive workforce ensuring that the Bank's recruitment strategies provide equal opportunity for potential employees across the Currency Union.

The ECCB also welcomed 19 interns from all eight member countries. The interns provided support to various projects across seven departments contributing to the implementation of strategic initiatives while benefiting from targeted mentorship and exposure in the relevant business areas. Two of the interns were assigned to our flagship Bright Sparks Internship Programme. Another two young professionals were given the opportunity to participate in the Junior Economist Programme (JEP) within the Bank's Research Statistics and Data Analytics Department.

Additionally, three young professionals pursuing postgraduate qualifications in the areas of Economics and Banking participated in a three-month internship conducting research and economic policy practices with a regional focus. These internships were offered to UWI students through the ECCB's annual partnership with CARTAC and an inaugural internship opportunity with University of the West Indies, Five Islands Campus, Antigua.

The Bank also continued to partner with local tertiary and secondary schools in Saint Christopher and Nevis to provide real-world professional experience for four interns in various fields such as Administration, Electrical Engineering and Information Technology. Other interns were deployed across the institution based on their areas of study and interest.

The internships are mutually beneficial initiatives that add value to our workforce, through diversity and inclusion, innovation and future talent development.

Organisational Effectiveness and Development

L-R: Delesse Francis, Operations Officer and Shireen Sawh, External Relations Officer at the Central Bank of Trinidad and Tobago, meet with Governor Antoine while on job attachment at the ECCB

Job Attachment - Central Bank of Trinidad and Tobago

The ECCB was pleased to host two officers from the External Affairs Department, Central Bank of Trinidad and Tobago from 20 - 23 January 2025. The officers understudied the team in the Production and Auditorium Management Units of the Corporate Relations Department. They also had engagements with the Support Services Management Department and the Executive of the Staff Association.

Staff Turnover

The Bank's turnover rate for the year was 4.6 per cent resulting in a retention rate of 95.4 per cent. Fourteen exits occurred during the last fiscal year, including three retirees who each provided over 20 years of exemplary service. Nine of these exits were voluntary departures, reflecting a decrease compared to the previous year. The other three exits were due to non-renewal of contracts. Sadly, the ECCB family also suffered the untimely loss of a beloved staff member during the review period. This loss impacted us personally and professionally and we will fondly remember our colleague.

Learning and Development

Learning and development remained a high priority area for the Bank, with focus on ensuring the requisite support for enhanced strategic growth and achievements of initiatives in the financial year. Targeted upskilling through selective management-initiated training was undertaken in core areas included Data Analytics, Artificial Intelligence, Financial Management, Diplomacy and Protocol, Strategic Change Management, Leadership, Risk Management and Business Continuity, Communications and Information Systems Security. The Bank also continued to support self-development through its staff- initiated training offerings including reimbursements and time off. Focus was also on departmental growth, and professional development through capacity-building sessions, as well as mandatory and optional training sessions via the Learning Management System.

Staff Engagement

An engaged and motivated staff complement remained a priority focus for the Bank. The Bank used varied and innovative opportunities to recognise and appreciate staff, including planned interactive and fun activities for occasions such

Organisational Effectiveness and Development

as Administrative Professional Day, Mother's Day, Father's Day, International Women's Day, International Men's Day and Employee Appreciation Day.

A wholesome approach to employee development includes health and wellness; crucial factors that directly impact employees' overall productivity. The Bank paid keen attention to employee wellbeing, including physical health, mental health support, and work-life balance as a means of fostering a positive work environment, reducing absenteeism and enhancing job satisfaction. In the area of mental health, staff continued to benefit from open and confidential access to counselling services through qualified service providers. Staff also actively participated in health fairs, health talks and other wellness initiatives.

The Bank completed its compensation review and implemented recommendations inclusive of a comprehensive job description review and revised salary structure. During the period, a triennium review was also undertaken. The Bank continues to remain proactive and vigilant in providing fair and competitive compensation aimed at attracting and retaining top tier talent.

The Bank paid keen attention to employee wellbeing, including physical health, mental health support, and work-life balance as a means of fostering a positive work environment, reducing absenteeism and enhancing job satisfaction.

Training and Capacity Building

Staff Development: Study Tour at the Bank of Canada

In March 2025, the Bank supported a week-long study at the Bank of Canada (BoC) for a team of Policy Analysts. The study tour provided the staff an immersive experience at the BoC, to learn about their policy work. The BoC was selected as the host institution for the study tour given its prominence as a leading central bank, that is considered to be a model institution in many aspects of central banking. The staff got the opportunity to learn more about what the BoC is doing in the areas of research, policy analysis, data analytics, policy writing, communication, and how it is leveraging generative artificial intelligence in their work. The aim was to learn best practices in these areas that can be incorporated into work that contributes to the strategic objectives of the Bank.

Strengthening Statistical Capacity

The Bank actively participated in regional and international initiatives, as part of ongoing efforts to strengthen statistical capacity and address data gaps. The Bank also engaged in missions led by the Caribbean Regional Technical Assistance Centre (CARTAC), focusing on enhancing the skills of compilers and addressing data issues within the ECCU. These missions also provided a platform for stakeholder engagement, facilitating discussions on data coverage issues and strategies for improving statistical outputs. In June 2024, the Bank collaborated

Organisational Effectiveness and Development

with the CARTAC to host a regional workshop on Travel Services, which aimed to improve the compilation of visitor expenditure estimates produced by the ECCU member countries. The workshop provided an opportunity for participants to discuss best practices in data collection and estimation techniques, ultimately strengthening the accuracy of travel services statistics, a key component of the Balance of Payments.

Other Capacity-Building Initiatives

The Bank strengthened the capacity of staff to meet its mandate through training in the following areas:

1. BASEL II/III;
2. Financial Soundness Indicators: Concentration and Distribution Measures;
3. Financial Soundness Indicators for Other Financial Corporations;
4. Artificial Intelligence in Finance;
5. Regional Financial Stability Analysis;
6. Future of the Monetary System;
7. Financial Programming;
8. Foundations of Central Banking; and
9. Designing Macroprudential Policy Tools.

Training sessions were conducted for new staff and internal teams, covering tools such as Excel, SAS, Power Query, and survey implementation.

These efforts aimed to ensure that staff were equipped with the skills necessary to perform their roles effectively. Staff also attended the Data Governance and Information Quality (DGIQ) and AI Governance conference in Washington, D.C., integrating insights gained into the ongoing development of the data strategy.

AML/CFT/CPF Training and Sensitisation

The Quarterly AML/CFT/CPF Newsletter: The ECCB continued its quarterly publication of its AML/CFT/CPF Newsletter, which provided quarterly updates on topical AML/CFT/CPF issues affecting the region, as well as guidance on regulatory initiatives specific to AML/CFT/CPF. Some of the topics featured in the newsletters were as follows: Revisions to the Financial Action Task Force (FATF) Recommendations 24 and 25; The Misuse of Internet and Mobile Payment Systems for Money Laundering and Terrorist Financing; Reverse Money Laundering; The Use of Artificial Intelligence in Financial Services; New and Emerging Money Laundering Techniques; Non-Traditional Predicate Offences to Money Laundering; and Typology – The ECCB's Advisory on Job-Search Scams.

Access AML/CFT/CPF Newsletters

ECCB AML Virtual Learning Campus: The ECCB continued its AML Virtual Learning Campus, through the ACAMS Enterprise Membership programme. Topics included suspicious activity reporting trends, enterprise-wide risk assessment methodology, AML screening, preventing fraud, trends in Proliferation Financing (PF), building governance frameworks, management reporting, and assessing politically exposed persons.

Industry AML/CFT Training: The ECCB's training programme included workshops to raise awareness of the national risk assessments for ML/TF in Saint Lucia and Montserrat, as well as a Counter Proliferation Financing webinar facilitated by the Caribbean Financial Action Task Force (CFATF). The webinar, which attracted over 200 participants, was an important step in strengthening the collective

Organisational Effectiveness and Development

knowledge of LFIs and national authorities across the ECCU. Additionally, the ECCB, in collaboration with the CFATF and IMF, produced and released a two-part series on Enhancing Beneficial Ownership Transparency, via its *ECCB Connects* programme.

Advisories: The ECCB issued the following Advisories to inform and mitigate emerging ML/TF/PF risk in the ECCU:

- ☑ Job Search Scams: In September 2024, the ECCB alerted LFIs about rising job search scams and advised of the importance of conducting assessments, providing staff training, and complying with reporting obligations;
- ☑ AML/CFT/CPF Deficiencies: In November 2024, the ECCB informed LFIs of jurisdictions with AML/CFT/CPF deficiencies, as identified by the FATF. LFIs were encouraged to incorporate this information into their risk assessments and apply enhanced due diligence measures where applicable; and
- ☑ Typology Boat 360: In November 2024, the ECCB issued a typology alert detailing criminal activities involving small fishing vessels used for ML. LFIs were instructed to look for red flags and file suspicious activity reports where necessary.

Strengthening the AML/CFT/CPF Supervisory Regime

Mutual Evaluation Assessments: The ECCB contributed towards the completion of the Technical Compliance evaluation for Montserrat and participated in interviews with CFATF assessors, providing information on its supervisory and oversight functions within Montserrat's domestic banking sector. Additionally, the ECCB was part of the Montserrat delegation at the CFATF Plenary in November 2024, where the final report was presented for discussion and adoption.

Stakeholder Engagements: The ECCB served and contributed to the National Anti-Money Laundering Oversight Committees (NAMLOC) on which it sits. NAMLOCs remains vigilant in monitoring the efforts of agencies to address the outstanding deficiencies outlined in the 4th round Mutual Evaluations (MEVAL) which assessed compliance, as the ECCU member countries prepare for subsequent CFATF follow-ups and the 5th round MEVALs, which will focus on effectiveness.

The ECCB also continued to provide policy advice through its representatives on the boards of the Grenada Authority for the Regulation of Financial Institutions, the AML Commission in Grenada, the Financial Services Regulatory Commission in Saint Christopher (St Kitts) and Nevis, and the Financial Services Authority in Saint Vincent and the Grenadines.

Establishment of a Basic Bank Account: In November 2024, the ECCB issued a circular to all LFIs regarding the establishment of a Basic Bank Account. This initiative aims to support the unbanked and underserved citizens in the ECCU, as part of the ECCB's broader strategy to foster financial inclusion and implement measures to uphold the soundness and integrity of the financial system. The circular, which forms part of the Ease of Account Opening Strategy, encourages LFIs to offer Basic Bank Accounts, as defined in the proposed amendments to the Banking Act.

Organisational Effectiveness and Development

Communication and Stakeholder Engagements

ECCB Blog

Blog production resumed during the year in review after a brief hiatus, due to the schedule of activities in celebration of the ECCB's 40th anniversary of service to the region. The focus for 2024 was on the "Big Push," which identified several policy initiatives that can assist in doubling the economy of the ECCU in the next decade. In line with the focus, the blog - *The Big Push* - was published in July 2024. Additionally, the Bank has identified related subject areas for production and publication in 2025.

Social Media Strategy

The Bank is progressing with the development of its social media strategy in its quest to enhance strategic communication. Work on the Communications Framework, a strategic priority for the Bank, is ongoing. The communications roadmap is complete following consultations with various departments and discussions with management. Through the strategy, the Bank and its work will be more accessible to the public and the public's interaction with the Bank will be enhanced. The strategy is about building public awareness and enhancing clarity and transparency regarding the services that the Bank offers to the people of the region. The aim is to deepen trust, by ensuring that communication by the Bank becomes easier, simpler and clearer and that the public and other key stakeholders in the ECCU have greater access to the ECCB.

Consultative Meetings with ECCU Development Banks and Financial Secretaries

The Bank continued to bolster collaboration with important partners in the ECCU. Engagements in the form of networking meetings, both virtually and in-person, were convened with development banks' executives and Financial Secretaries.

Meeting with ECCU Financial Secretaries
ECCB Headquarters - October 2024

The Bank engaged one of its major stakeholders – Financial Secretaries – in July 2024 on the theme *"Towards Stronger Fiscal Resilience in the ECCU."* The discussions were centred on the promotion of fiscal resilience, medium-term fiscal strategies and frameworks. The Mission Chief for Saint Vincent and the Grenadines at the IMF led the discussion on policy considerations for small developing states. The Financial Secretaries weighed in on issues specific to the region and identified some opportunities that could be leveraged for the continued development of the fiscal architecture in the ECCU.

In October 2024, the Financial Secretaries convened for another round of discussion under the theme *"Enabling the Big Push through Fiscal Resilience and Growth-Enhancing Reforms."* A presenter from White Oak Advisory led the discussions on climate-resilient debt clauses, while the Financial Secretary for Grenada shared insights on "Medium-Term Fiscal Strategy and Frameworks" referencing Grenada's fiscal resilience legislation. The Financial

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Secretaries shared their ideas on energy matters following a presentation by the ECCB on "Energy Revolution: Operationalisation of the Caribbean Renewable Energy Infrastructure Investment Facility." Discussions also took place on the blue economy, prompted by Saint Lucia's experience, and on AI, led by a presenter from the World Bank.

The development banks continue to cement themselves as vital players in the socio-economic development of the ECCU. The Bank convened two consultative meetings with development banks during the review period. The first, in July 2024, featured presentations and discussions on the accessibility of concessional funding for sustainable development. The second meeting, convened in January 2025, focused on the dynamics and sustainability of the development-banking mandate in the ECCU. The presentations and discussions were insightful and included the current regulatory and supervisory framework for development banks.

Consultative Meetings with the ECCU Directors of Statistics

Another feature of collaboration among the Bank and the member countries is through networking meetings with stakeholders. During the consultative meetings with the ECCU Directors of Statistics in October 2024, member countries discussed a wide range of statistical topics including the advancement of the external sector statistics to the IMF Balance of Payments Manual; Seventh Edition (BPM7); Improving Data Management Using Standardised Data Templates; and Public Data Dissemination: Tips for Making Your Data Shine. All topics were well received and provided the backdrop for improving the compilation and dissemination of statistics in the ECCU.

International Monetary Fund 2025 ECCU Common Policies Consultation

The IMF held its Annual Common Policies Consultation with the ECCB in January-February 2025. The Bank seized the opportunity to engage the IMF team on policy issues pertinent to the development of the ECCU member countries. The Fund's Mission Team held discussions with the management and staff of several departments. The IMF noted the region's recovery from recent exogenous shocks and the stable macroeconomic environment that the currency union arrangement brings to the region. The IMF also proposed policies geared building resilience and addressing structural issues, such as labour market rigidities. The Mission, as is customary, will lead a seminar later in the year to culminate its annual consultative process.

Access Concluding Statement of the 2025 ECCU Mission on Common Policies for Member Countries.

Support to Member Countries

External Sector Statistics

The Bank focused on improving the compilation, analysis, and dissemination of external sector statistics for the ECCU, during the financial year. Outputs included the compilation of External Sector Statistics for 2023, the production of an estimate for 2024 and a forecast for 2025. As part of this effort, surveys were administered to regional and international organisations on behalf of ECCU member countries. In-country compilation missions were conducted between July and November 2024, allowing for a more in-depth review of data sources

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and methodologies. The estimates derived from these missions were subsequently disseminated via the ECCB's website and the IMF's Integrated Collection System (ICS) on 31 December 2024, in adherence to the Advance Release Calendar. Additionally, quarterly external sector indicators were published on the ECCB's website. The Bank also contributed to the compilation of the Rest of the World accounts, working closely with member countries and the CARICOM Secretariat to ensure consistency with international reporting standards.

The Bank prepared and published the External Sector Statistics Report for 2023, to promote transparency. The report, which was based on the results of the 2023 external sector statistics survey conducted by the ECCB and its member countries, provided key insights into the external sector outcome for the review period for the ECCU. Country-specific infographics, summarising key findings from the compilation missions, were prepared. The infographics were published on the ECCB's website to facilitate a better understanding of the data. The revision and dissemination of Balance of Payments (BOP), International Investment Position (IIP), and Trade in Services Statistics, incorporating forecasts up to 2026 were also undertaken during the review period. The revised statistics, which were released in March 2025, reflected improvements in data coverage.

The Bank continued its collaboration with key regional and international agencies, including the OECS Commission, the CARICOM Secretariat, and the United Nations Conference on Trade and Development (UNCTAD), to enhance Trade in Services statistics. These partnerships are crucial in supporting policy formulation, trade negotiations and market assessments.

The Bank, as a repository for real sector data, focused on the collection of data from the member countries. The revision of the Gross Domestic Product (GDP) estimates and forecasts for 2024 to 2026 continued as a collaborative effort with the institution and member countries. The Bank teamed up with staff in its member countries to host consultative discussions on the GDP estimates and forecasts during the review period and advocated for the release of the rebased GDP with base year 2018. The rebasing of the GDP estimates using a 2018 base (reference) year, corresponding to the fixed price structure, is nearing completion with a total of seven member countries completing their rebased/referenced GDP series to base year 2018. The Bank also advanced the work on the Nowcasting Framework aimed at providing more timely GDP forecasts for the member countries.

The Bank continued its collaboration with key regional and international agencies, including the OECS Commission, the CARICOM Secretariat, and the United Nations Conference on Trade and Development (UNCTAD), to enhance Trade in Services statistics.

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Economic Statisticians and Country Economists provided further support and collaborated with the member countries during the IMF Article IV Missions held during the period April 2024 to March 2025. The Bank conducted the Biannual Business Outlook Surveys (BOS) in July 2024 and January 2025, to support macroeconomic analysis. The BOS infographic is disseminated to the public via social media and emailed to major internal and external stakeholders. The Bank released its monthly infographic on comparative fuel prices in the ECCU, as part of its data dissemination and awareness campaign. Development work on the Import Bill Tracker also intensified during the year, given the focus and importance of Food Security in the region. The fuel information and the Import Bill tracker data are widely used to inform policy discussions.

During the financial year, the Bank continued to provide timely, reliable and accessible monetary and financial statistics to various stakeholders - locally, regionally and internationally. The Bank also improved its data management software by implementing additional safeguards and quality controls to enhance the quality and accuracy of data collected and reported by the ECCB.

The Bank also collaborated with partner agencies (commercial banks, non-bank financial institutions, payment system institutions, ministries of finance, the International Monetary Fund) on data compilation and dissemination aimed at enhancing monetary and financial statistics.

The ECCB continued to publish selected data on individual commercial banks within the ECCU, during the fiscal year 2024-2025. This was aimed at empowering data users by allowing them to view and compare statistics across commercial banks as well as against national and ECCU averages.

Business Outlook Survey January - June 2024

The Business Outlook Survey is a semi-annual survey designed to capture the opinions of 200 businesses within the ECCU in respect of the current and expected state of their business operations as well as the economies in which they operate.

The response rate for the January - June 2024 survey was 91.5 per cent. The respondents focused on two main areas: individual business performance and the general economic conditions.

The Net Percentage Indicator (NPI) is critical to the analysis. It measures the difference between responses marked "improved" and "deteriorated".

Key outlook for 2024 relative to 2023:

- **An NPI of 36.1 was achieved, indicating an overall improvement in the sentiments for general economic conditions.**
- **Most of the businesses surveyed were considered small enterprises.**
- **Generally, supply chain disruptions are not expected to affect business operations.**
- **Cash is the most widely used form of payment by customers in the ECCU.**
- **The top challenge businesses face was attracting skilled employees.**

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Country Outreach Programme

The Bank continued to engage ECCU stakeholders in 2024 through its Country Outreach Programme. During the reporting period, the Bank conducted engagements in Saint Lucia from 9-12 September 2024.

Saint Lucia's outreach mission focused on *The Big Push* and a presentation titled: *The Big Push: Pursuing Bold Actions to Transform Saint Lucia's Economy* set the tone for discussions on the pursuit of bold actions that can transform the Saint Lucian economy, the largest in the ECCU. The context of growth in an environment largely influenced by the geopolitical developments in the international economy and challenges in the region were foremost on the agenda. While geopolitics, climate risks, crime, debt and human capital were major subjects of discussion, the resilience of the Saint Lucian economy was noteworthy, along with the many opportunities that were highlighted, including the successes of the world's fastest woman, Julien Alfred.

In addition, the ECCB updated the public on financial stability issues, both at the country and currency union levels. These included the need for timely passage of pending key pieces of financial sector legislation, implementation of a hybrid Basel II/III framework, climate risk and cyber security risk management.

The mission team embraced the opportunity to engage a diverse group of stakeholders on matters of financial literacy, financial inclusion, and the role that each citizen can play in the overall financial and economic stability of the country and, by extension, the currency union.

The Bank shared its strategic themes and initiatives for the medium term and discussed how collective action could transform the economies of Saint Lucia and the ECCU. These initiatives include the ease of opening bank accounts, the establishment of a credit bureau and progress made on market conduct. The discussions were fruitful, and the ECCB will continue to utilise the suggestions and ideas as valuable input towards the Bank's ongoing policy development for the region.

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Internal Audit

The Institute of Internal Auditors (IIA) published its New Global Internal Audit Standards on 9 January 2024, with an effective date of 9 January 2025. The New Global Internal Audit Standards comprise five Domains, 15 Principles and 52 Standards. The Internal Audit Department (IAD) proactively performed a gap analysis of its policies and practices against the new standards to determine if there were any conformance gaps prior to the effective date of the new standards. An Action Plan was developed to implement the recommendations that were identified to bridge the noted gaps. Implementation of the Action Plan commenced in October 2024.

Over the financial year, the IAD continued to provide assurance on Project BOOST, which involves replacing the Bank's current Enterprise Resource Planning ERP Solution. One IAD full-time staff member monitored the project's deliverables and escalated emerging risks as the ERP implementation transitioned from one provider to another. The IAD will also continue its assurance work of Project BOOST to assist with the scheduled 'Go Live' date.

During the year, the Internal Audit function undertook audit engagements geared at increasing the Bank's operating effectiveness.

Projects and Technical Assistance

The Projects and Technical Assistance (PTA) function is responsible for the management and oversight of projects that directly impact the lives of the ECCU citizens. The projects include Deposit Insurance, the Credit Bureau, Secured Transactions and Collateral Registry, the Greening of the Financial System, Climate Financing and the Resilient Renewable Energy Infrastructure Investment Facility (RREIIF).]

The specific objectives were as follows:

- ☑ Assess the effectiveness of the function in fulfilling its purpose and objectives;
- ☑ Assess the effectiveness of the coordination of Technical Assistance and identify opportunities for improvement; and
- ☑ Evaluate the adequacy of the processes in place to manage and oversee projects and ensure expected outcomes.

The key responsibility of the PTA is to coordinate technical assistance from International Financial Institutions (IFIs) and regional development partners, such as the International Monetary Fund (IMF), the World Bank, the Caribbean Development Bank (CDB) and the Caribbean Regional Technical Assistance Centre (CARTAC). The audit was also to assess the effectiveness of the coordination of technical assistance and to identify opportunities for improvement.

Data Management and Document Correspondence

The main purpose of the audit was to assess the foundational elements of data and document management at the Bank, to determine where gaps exist and where improvement was needed for effective data management. The specific objectives were as follows:

1. Identify and assess the effectiveness of existing policies and structures in place for data governance at the Bank.
2. Review and assess the document/content

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management apparatus and evaluate whether it effectively meets the needs of the Bank.
3. Assess whether the Bank's data was adequately protected from unauthorised access, misuse and breach.
4. Determine the adequacy and effectiveness of data quality and metadata management.

Social Media Audit

Social media management and execution involve strategically creating, publishing, and engaging with content across social media platforms to achieve specific goals, while the execution phase focuses on implementing this strategy through content creation, scheduling, and community engagement.

The purpose of the audit was to evaluate the effectiveness of the Bank's social media presence, governance structure, and the elements in place to operate on social media. The specific objectives were as follows:

1. Assess the effectiveness of Social Media Governance to guide the operations and management of Social Media;
2. Evaluate the management of the Bank's social media platforms;
3. Evaluate the performance metrics against organisational goals and international practices; and
4. Assess the adequacy of the security measures, internet connectivity and user access controls for the safeguarding of the Bank's Social Media Platforms.

Bank-Wide Contract Management Process

The purpose of the Bank-Wide Contract Management Process Audit was to evaluate the operating effectiveness of the contract management process. The specific objectives were as follows:

- ☑ To evaluate the efficacy of the Contract Management Lifecycle process;
- ☑ To assess the compliance and sufficiency of the contract performance evaluation process; and
- ☑ To determine the effectiveness of the vendor management process in relation to established best practices.

Capital Projects Management

The objective of the Capital Project Management Audit was to provide assurance over the adequacy and effectiveness of controls over the capital project management processes and to provide guidance on where improvement was needed. The specific objectives were as follows:

- ☑ Assess the adequacy of capital project administration.
- ☑ Examine whether there were sound processes in place for the execution of projects including monitoring and managing projects' progress during execution.
- ☑ Evaluate the processes and controls in place to assess capital project performance, and with the use of capital project indices, determine how the Bank was performing.

Agency Offices: Antigua and Barbuda, Grenada and Saint Lucia

The purpose of the Agency Offices audits was to evaluate the adequacy of the system of internal controls and the risk management practices at the Agency Offices in Antigua and Barbuda, Grenada

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and Saint Lucia to enable them to effectively meet their objectives, while safeguarding the Bank's assets.

The specific objectives were as follows:

1. Verify the stock of currency held at the agent banks and the Commemorative Coins held in the Agency Office vaults against the records at Headquarters;
2. Confirm the existence of the Bank's inventory (fixed assets) at the Agency Offices against the records in SAP as well as the security and functionality of these assets;
3. Consider the efficiency and effectiveness of the services performed on behalf of the Research, Statistics and Data Analytics, Human Resource, Financial Sector Supervision and the Corporate Relations Departments;
4. Assess the adequacy and effectiveness of the internal operational controls including the risk of fraud and other significant weaknesses at the Agency Offices; and
5. Assess operational capacity and vulnerabilities within the Information Technology (IT) infrastructure at the Agency Offices that may impact internal controls.

Risk Management

Risk management is the process of identifying, assessing, mitigating and controlling risks to the Bank. The ECCB's approach to risk management is based on the 'plan, do, check and act' cycle (PDCA). The Bank's risk strategy is based on a combination of the International Organisation for Standardisations (ISO) 31000 Risk Management Standard and the Committee of the Sponsoring Organisations of the Treadway Commission's (COSO) Framework, and is consistent with the Bank's Enterprise Risk Management (ERM) Policy Framework.

The ECCB's risk appetite describes the extent to which we are accepting risks in the process of realising our strategic objectives. Considering the public impact of our services, the Bank follows a prudent approach with a low to moderate risk appetite. The Board of Directors has overall responsibility to ensure that appropriate risk management and internal control systems, designed to identify, manage and mitigate risks which may affect the achievement of the Bank's objectives, are in place. The Board of Directors also ensures an appropriate risk appetite is approved and considers how the Bank's longer-term viability may be threatened by the realisation of one or more of these risks. The BARC provides structured and systematic oversight of the Bank's risk management and internal control systems. The BARC reviewed and monitored the effectiveness of the Bank's risk management and internal control systems throughout the year.

The Bank is prepared to make certain financial and operational decisions in pursuit of strategic objectives, accepting the risk that the anticipated benefits from these decisions may not always be fully realised. Our acceptance of risk is subject to ensuring that potential benefits and risks are fully understood and appropriate measures to mitigate those risks are established. Each of the Bank's principal risks is assigned a management owner who is responsible for ensuring adequate mitigating actions are in place to reduce risks within the agreed appetite.

Organisational Effectiveness and Development

The Board and the BARC are furnished with quarterly updates from management risk owners in relation to the Bank's principal risks. These updates include the history of the risks to date, key mitigating actions and controls, residual risks and any future actions planned to address or control deficiencies.

The enterprise risk management process is embedded across the Bank to support the delivery of the Bank's strategic objectives. The annual risk assessment is an integral part of this enterprise risk management process. This risk assessment incorporates a Bank-wide evaluation to determine the likelihood of occurrence and potential impact of risks on the Bank at a residual level. A standard risk scoring methodology has been devised to provide context and ensure consistency in reporting and evaluation of risks. The output from this process is consolidated to determine the principal risks and uncertainties for the Bank. The Management Risk Committee (MRC) reviews and validates these risks, providing further input where necessary before submission to the Board Audit and Risk Committee (BARC) for final consideration and approval.

Table I - ECCB Risk Management Governance Framework

Board of Directors

The Board has overall responsibility to ensure that appropriate risk management and internal control systems, designed to identify, manage and mitigate risks, which may affect the achievement of the Bank's objectives, are in place. The Board also ensure an appropriate risk appetite is set and considers how the Bank's longer-term viability may be threatened by the realisation of one or more of these risks.

Board Audit Risk Committee (BARC)

The BARC provides structured and systematic oversight of the Bank's risk management and internal control systems. The BARC reviews and monitor the effectiveness of the Group's risk management and internal control systems throughout the year.

Management Risk Committee (MRC)

The MRC supports the BARC in the risk management process through ongoing monitoring and evaluation of the risk environment and the controls in place to manage those risks, in addition to the consideration of emerging risks, which may affect the Bank in the future. The MRC is comprised of senior leadership, and chaired by the Chief Risk Officer (CRO). The MRC provides regular updates on changes in the principal or emerging risks to the BARC and the Board.

Executive Committee

The Executive Committee is responsible for the effective operation of internal controls designed to manage and mitigate the principal risks and uncertainties. The three lines of defense model embeds accountability for risk management into processes and procedures.

1st LINE OF DEFENSE	2nd LINE OF DEFENSE	3rd LINE OF DEFENSE
Departments' management is responsible for the risk identification, managing the internal control environment and monitoring changes in the risk profile of the Bank.	The Office of Risk Management ensures the first line is operating as designed, manage performance reviews, internal control verifications and facilitate risk assessments.	The Internal Audit function with other external assurance providers perform reviews which give independent assurance over the operation of the internal control framework, risk management systems and governance processes.

Organisational Effectiveness and Development

The Bank utilises the Three-Lines Model to set the roles and responsibilities related to managing risks:

- ☑ The first line (business units/departments) establishes and maintains appropriate processes for the management of operations and risk and internal control. It ensures compliance with legal, regulatory and ethical expectations;
- ☑ Operating from an independent position, the second line (risk and compliance function) provides complementary expertise, support, monitoring and challenge related to the management of risk; and
- ☑ The third line (internal audit function) provides independent and objective assurance and advice to (senior) management on the adequacy and effectiveness of governance and risk management (including internal controls).

During the year, the Bank completed several major risk management activities under the supervision of the Management Risk Committee. These included development of its Key Risk Indicators (KRIs). The Bank will implement and monitor the KRIs during the financial year 2025/2026, and thereafter the KRIs will form part of the evaluation of risk management practices at the Bank. The Bank also launched its Operational Risk Incident Reporting Framework, which is geared at increasing the number of risks and near-miss events reported to the 2nd line for investigation. These risks could have a negative financial, business or reputational impact on the Bank and therefore reporting allows for the implementation of mitigation actions.

The ECCB developed a Risk Maturity Model (RMM) to test the quality and integration of the Bank's ERM practices and to determine the results effectiveness of its risk- decision-making process and framework. The RMM is based on five maturity levels: immature, developing, established, advanced and mature. These levels are assessed against six key competency drivers: ERM framework and policy; governance and organisational structure; process and integration; systems and tools; risk capabilities; and risk culture.The maturity level scores are then averaged to determine the overall maturity level score. The overall Risk Maturity Level score for the ECCB was determined to be 3.40. This suggests that the ECCB's ERM Maturity is established (see Table II).

Business Continuity Management System (BCMS)

The Bank continued the implementation of the IT Recovery Strategy as part of its BCMS Policy implementation. The Bank has instituted the various components of the ISO 22361 crisis management standard into its Crisis Management Plan. The Board approved the ECCB Crisis Management Plan in September 2024 and it includes the composition of the Bank's Crisis Management Team. The Crisis Management Plan sets out the policy and procedural elements of the workings of the Crisis Management Team as well as generic responses, tools and templates. The Crisis Management team has assigned roles and responsibilities inclusive of leadership. During the 2025/2026 financial year, the Bank will finalise its BCMS Strategy, build awareness of the plan across the Bank and provide training for the persons with key roles and responsibilities.

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Table II - ECCB Risk Maturity Model

MATURITY LEVELS	Immature/Initial Level 1	Developing Level 2	Established Level 3	Advanced Level 4	Mature/Leading Level 5
CORE CHARACTERISTICS	Organisation lacks understanding of risk management, has no documented ERM strategy and risk management is reactive and ad hoc.	Risk management applied in the organisation, but in a non-strategic, siloed and inconsistent manner.	The organisation has documented ERM framework and processes but there is a lack of visibility across the organization and most processes are inconsistently applied.	ERM integrated across the organisation, ERM tools implemented and ERM monitored and improved.	ERM is strategically integrated across the organisation. ERM is tied to value creation and optimized risk-return on investment (ROI) value protection.
ERM Framework & Policy The Enterprise Risk Management Framework Policy that provides the framework for the management of risks across the Eastern Caribbean Central Bank.	Fragmented/limited ERM framework	Framework developed but not approved by appropriate authority	ERM Framework and risk appetite in place	▫ Escalation processes, ERM integrated in strategic planning ▫ All operation entities ▫ Risk scales for different levels	▫ ERM framework reflects Risk-based maintenance (RBM) and all operational elements
Governance and Org. Structure The principles of good governance and structure to the identification, assessment, management and communication of risks.	▫ Fragmented and informal structure ▫ Accountability for ERM is informal	Risk Governance structure (based on the Three Lines of Defense) to oversee ERM	▫ ERM governance structure in place ▫ Management Risk Committee and department to oversee is in place	▫ Fully integrated risk governance structure ▫ Chief Risk Officer	▫ Structure applied across all operations ▫ Accountability at each level
Process and Integration The processes used and integrated to systematically identify potential risks.	Inconsistencies in methodology	Limited process to assess, monitor and report	Systematic process for risk assessment, response, monitoring, escalation and reporting	▫ Links between internal controls and risks/ control effectiveness and risk assessment ▫ RBM and ERM fully aligned.	▫ Optimised with pre-defined indicators ▫ Fully integrated risk and opportunity analysis
Systems and Tools Methodologies, software applications, and practices designed to identify, evaluate, and prioritize risks.	Risks recorded in various documents	Manual risk assessment/response (spreadsheet)	▫ Consolidating risk register ▫ ERM monitoring and reporting capabilities	▫ Dynamic risk dashboards ▫ Semi-automated operations	Advanced modelling, forecasting and scenario planning tools (GRC solution)
Risk Capabilities Clearly articulated and well communicated roles and responsibilities, access to relevant and up-to-date risk information, and the opportunity to build competency through formal and informal learning and development programs.	Risk competencies perceived to have little value	▫ Knowledge for certain managers ▫ Indicators presented to senior management annually	▫ Recognized management competency ▫ Accurate risk management information available	▫ Core competency for staff ▫ Dynamic risk information reports across organisation	▫ Perfecting risk skills ▫ Dynamic dashboards across organisation
Risk Culture Set of norms, attitudes and behaviours related to awareness, management and controls of risks in a bank.	Limited commitment	Partial consideration of risk factors	▫ Clear expectations, information systematically collected ▫ Risk management assessed in Staff Performance Management	▫ Risk management integrated into strategic activities ▫ Systematically collect and communicate information	▫ Organisation-wide awareness ▫ Dynamic risk information ▫ Learning from success and failures

Competency Driver

KEY ATTRIBUTES

Compliance

The Compliance function is a key component of the Bank's second line of defense. At a minimum, the compliance function will seek to ensure that the operations of the Bank incorporate:

1. An alignment and adherence to the applicable policies, laws and regulations (internal and external) in keeping with regional and international best practices;
2. A Risk-Based Approach in line with the approved risk appetite to identify, assess and mitigate compliance risks;
3. Continuous and up-to-date training and awareness across the bank aiming to build and foster a strong culture of compliance; and
4. Development and documentation of adequate procedures in alignment with the Compliance Management Framework Policy.

During the financial year, the Bank advanced the implementation of the ECCB Compliance Management System, which includes the development and implementation of a Policy Management function. The Bank utilises an electronic system to register, track, monitor and manage all policies and contracts. This will also include compliance to contract renewal, performance assessment and review periods to prevent non-compliance to contract terms and conditions.

Organisational Effectiveness and Development

Currency Management

Currency demand in the ECCU remained strong as evidenced by continued growth in circulation. In response, the Bank undertook several initiatives to ensure a sufficient supply of high-quality banknotes and coins, implemented new standards for banknote fitness, and enhanced regional capacity to combat counterfeiting.

As of 31 March 2025, the total currency value in circulation stood at $1,700.41 million—an increase of $127.20 million (8.09 per cent) over the previous financial year.

The distribution was as follows: (i) Banknotes: $1,558.31 million (91.64 per cent); (ii) Coins: $141.89 million (8.35 per cent) and (iii) Digital Currency (DXCD): $0.21 million (0.01 per cent).

Chart I - Total Currency in Circulation ($ Millions)

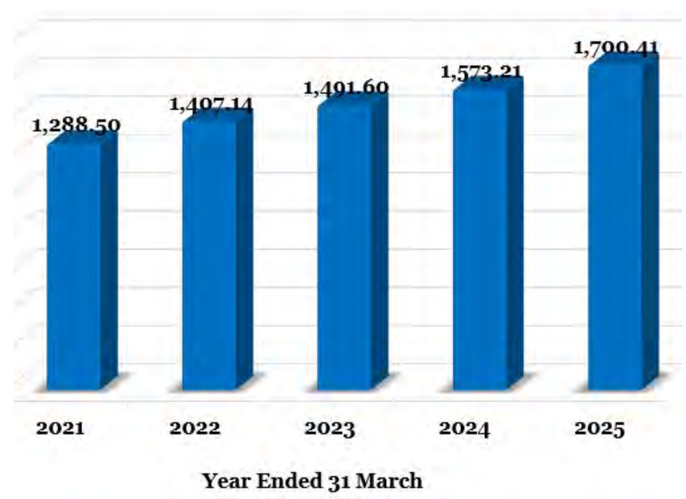
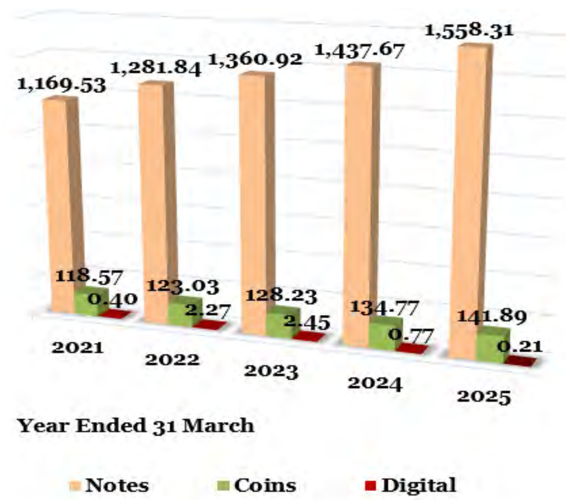


Chart II - Distribution of Currency in Circulation: Notes, Coins and Digital ($ Millions)



The upward trend in Currency in Circulation highlights sustained growth, led primarily by strong banknote demand. Coin usage has increased modestly but remains significantly low, reinforcing the need for a coin redemption strategy.

The small volume of digital currency (DXCD) reflects the ongoing withdrawal process following the conclusion of the DCash pilot programme. These developments highlight the need to refine currency forecasting, improve circulation strategies, and prepare for future digital innovations.

The Bank ensured the timely and adequate supply of banknotes and coins in denominations aligned with the needs of the public, which supported transactional efficiency and preserved the public's confidence in the Eastern Caribbean (EC) dollar. The Bank's currency operations were further strengthened with the introduction of a Banknote Policy, which provided commercial banks with clear standards for identifying and managing fit, unfit, and mutilated EC banknotes. This policy promotes consistency in cash handling and enhances the efficiency of banknote recirculation.

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Participants of the Forensic Expert Witness Training held at the ECCB Headquarters on 13 - 14 March 2025

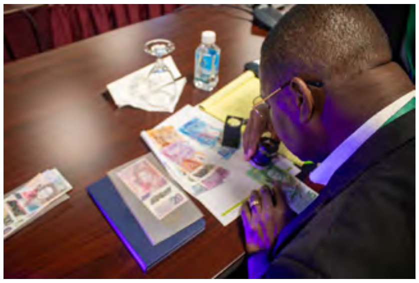
Forensic Expert Witness Training

To protect the integrity of the EC currency, the Bank also conducted a Forensic Expert Witness Training Course for regional law enforcement officers. This course equipped participants to:

- ☑ Accurately identify counterfeit versus genuine EC banknotes;
- ☑ Document findings in formal expert reports; and
- ☑ Testify as credible expert witnesses in court proceedings.

Twenty individuals from Police Forces and Financial Intelligence Units in member countries along with selected ECCB staff attended the training. The Director, Currency Management Department who is a certified and trained Trainer and Expert Witness, Rosbert Humphrey was the facilitator.

The training was part of the ECCB's commitment to maintaining a secure, efficient, and responsive currency management framework for the region.



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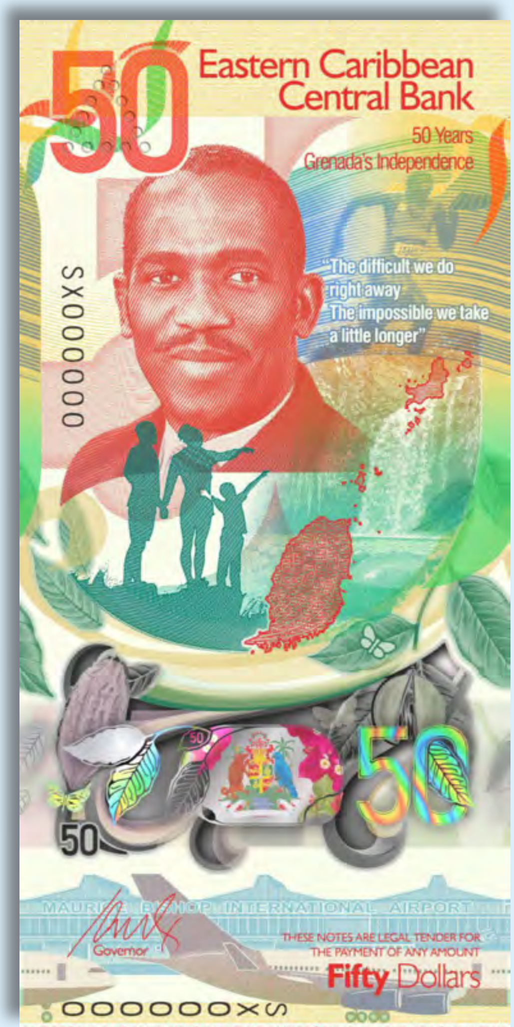
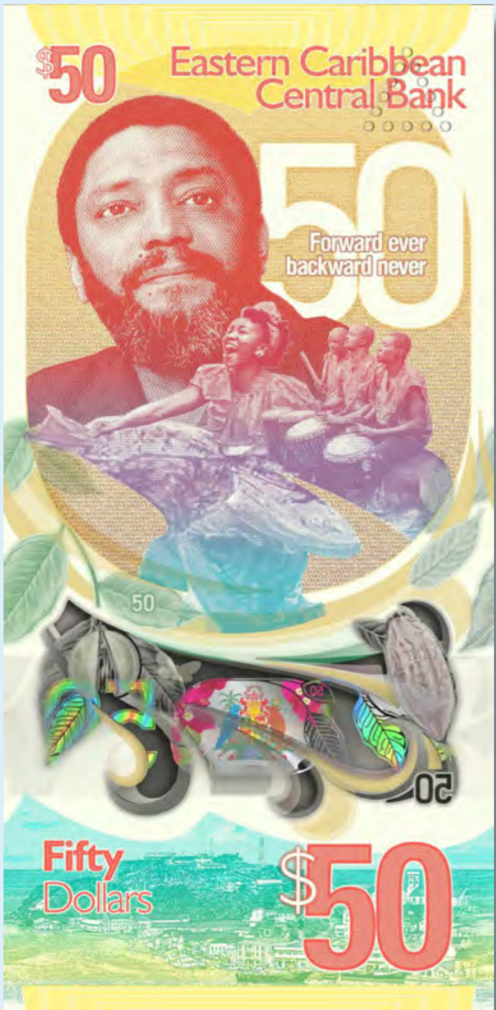


The Grenada $50

In celebration of Grenada's 50th anniversary of independence, the Bank—in collaboration with the Government of Grenada, Carriacou and Petite Martinique—issued a limited-edition $50 circulation banknote. Although released in Grenada, the note is legal tender across all ECCU member territories.



The Grenada 50-dollar banknote is printed on polymer and is the same size and includes similar security features as the current banknotes in circulation.

The note depicts portraits of former Prime Ministers Sir Eric Matthew Gairy and Maurice Bishop and pays homage to their pivotal roles in Grenada's history. This banknote also narrates Grenada's story through its influential figures, culture, and landmarks.

Legislative Agenda

Promulgation and enactment of legislation to enhance the resilience of the ECCU financial sector

Legislative Agenda

Banking (Amendment) Bill, 2024

In keeping with its mandate under Article 4 of the Eastern Caribbean Central Bank Agreement to promote a sound financial structure conducive to the balanced growth and development of the economies of Participating Governments, the ECCB undertook a review of the Banking Act (2015) during which feedback was solicited from key industry stakeholders, including licensed financial institutions and the various offices of Attorneys General across the Eastern Caribbean Currency Union (ECCU).

During the year, an Amendment Bill was developed which features enhancements to the regulatory framework which embody banking and supervisory best practices. The Bill introduces a new area of market conduct supervision which supports consumer protection, promotes financial literacy and inclusion and market integrity.

At its 108th Meeting convened on 19 July 2024, the Monetary Council of the ECCB, considered and approved the Banking (Amendment) Bill, 2024 for passage in Member States. The Bill and explanatory Memorandum were submitted to member countries on 20 November 2024 for the consideration of Cabinets and subsequent enactment by the respective Parliaments.

Deposit Insurance

During the financial year, the Bank continued its efforts towards the development of a deposit insurance system to protect depositors of licensed financial institutions from the loss of their deposits.

At its 108th Meeting convened on 19 July 2024, the Monetary Council of the ECCB, considered and approved the Eastern Caribbean Deposit Insurance Corporation (ECDIC) Agreement (the Agreement) and the correlating enacting Bill.

The Bill is meant to operationalise the Agreement within the domestic sphere of each Member State of the ECCU. The Agreement, primarily, provides the framework for bringing the ECCU in line with international best practices with respect to having a comprehensive financial safety net system. Its underlying purpose is to ensure the financial intermediation process is not severely disrupted by negative events, such as bank failures.

Under the Agreement, all financial institutions licensed under the Banking Act, 2015 (policyholders) are mandated to adhere to the deposit insurance schema. Under this schema, the Eastern Caribbean Deposit Insurance Corporation is established.

Further, the Agreement provides for the assessment and payment of premiums and the establishment of a Deposit Insurance Fund from which compensation is paid in the event of failure of a policyholder.

The ECDIC Agreement has been signed by all member countries. The Agreement, along with the enabling legislation, was submitted on 24 January 2025 to member countries for the consideration of their respective Cabinets and enactment by their Parliaments.

Legislative Agenda

Legislative Framework for the Establishment of the Eastern Caribbean Financial Standards Board

The Monetary Council of the ECCB approved an optimal regulatory framework to supplement the current regulatory arrangements,to further support financial integration and strengthen financial stability in the ECCU. This framework includes the establishment of an Eastern Caribbean Financial Standards Board (ECFSB) to remove regulatory gaps in the financial sector, reduce the scope for regulatory arbitrage and enhance the regulation of multi-jurisdictional firms and financial conglomerates. The ECFSB will be responsible for designing and issuing standards for regulation of the non-bank financial sector across the eight (8) member jurisdictions of the ECCU.

During the 2024/2025 financial year, the Bank engaged a legislative drafting consultant to develop the legislative framework for the establishment of the ECFSB for the regulation of the non-bank financial sector.

Insurance and Pensions Legislation

During the year, the Bank engaged a legislative consultant to update and complete the draft legislative framework for the insurance and pensions sector in the ECCU.

The legislative framework is intended to, inter alia:

1. Reform the law relating to the insurance industry;
2. Regulate insurance businesses and pension plans; and
3. Encourage the promotion of efficiency and competition in the insurance and pension industries;
4. Provide for the protection of consumers; and
5. Provide for a single financial space in the insurance sector.

Development of the Legal and Regulatory Infrastructure to Support the Establishment of a Macro-Prudential Risk-Based Policy Framework in the ECCU Inclusive of Financial Stability Legislation

During the 2024/2025 financial year, the Bank revisited the draft policy proposal in respect of the framework for macroprudential regulation of the financial system of the ECCU.

This macroprudential framework is expected to include the enactment of financial stability legislation with appropriate mandate, scope and powers, establishment of a Regional Financial Stability Committee and a technical secretariat to support the analytical functions related to the financial stability mandate.

Harmonised Insolvency and Bankruptcy Legislation

During the year, the Bank continued its efforts to promote the development of a modern insolvency and bankruptcy framework in the ECCU. In this regard, the Bank partnered with the World Bank Group and INSOL International in hosting a 2nd Caribbean Insolvency Roundtable on 9 December 2024.

This 2nd Caribbean Insolvency Roundtable brought policymakers, insolvency practitioners and the

Legislative Agenda

judiciary together with the aim of:

1. Discussing the challenges faced in implementing insolvency regimes;
2. Hearing from other Caribbean countries on the development of their insolvency regimes and recent cases handled;
3. Sharing insolvency best practices with a focus on technology and climate change issues; and
4. Bringing together insolvency regulators to discuss the harmonisation of practices, building economies of scale and improved supervision, and monitoring of insolvency trustees.

Virtual Asset Business Regulations

During the year, the Bank continued to follow up with member governments on the issuance of Virtual Asset Business Regulations. The Regulations have been issued in four member countries namely the Commonwealth of Dominica, Grenada, Montserrat, and Saint Lucia.

Amendments to Payment System (Eastern Caribbean Automated Clearing House System) Rules, 2021

During the year, the Bank recorded progress in it its efforts to widen access to the ECACH by facilitating the participation of other financial institutions such as credit unions.

The Amendments to the Payment System (Eastern Caribbean Automated Clearing House System) Rules, 2021 that seek to broaden this access have now been published in all eight member countries.

Financial Results

- ***The ECCB's asset base increased by $355.5 million***
- ***Foreign Assets grew by $263.3 million***
- ***Domestic Assets rose by $92.2 million***
- ***The Bank recorded a net profit of $126.2 million***

Financial Results

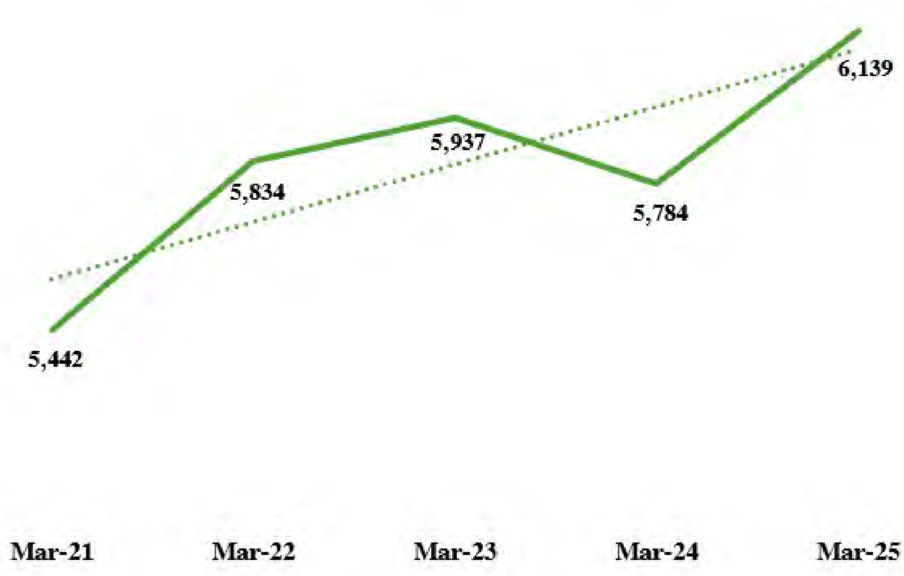
STATEMENT OF FINANCIAL POSITION

As at 31 March 2025, the Bank's total assets stood at $6,139.3 million, reflecting an increase of $355.5 million (6.1 per cent) compared to the previous financial year. The expansion in the asset base was driven by growth in both foreign and domestic assets.

Foreign assets rose by $263.3 million (5.0 per cent) to $5,485.8 million, largely due to inflows from loans issued to member governments by international institutions, the purchase of regional and foreign currencies from commercial banks, and fair value gains on foreign investment securities. The increase in foreign assets was partially offset by the net sale of foreign currency balances to commercial banks.

Domestic assets increased by $92.2 million (16.4 per cent) to $653.5 million, primarily attributable to increases in property and equipment and participating governments' advances moderated by decreases in pension asset, intangible assets and participating governments' securities. Property and equipment increased by $55.6 million, attributable to acquisitions of fixed assets and revaluation gains on land and buildings. Participating governments' advances grew by $47.5 million, due to the increase in credit extended to participating governments. Pension asset fell by $8.4 million, owing to actuarial losses from lower than expected returns on the pension plan's assets. The decrease of $6.2 million in intangible asset was mainly attributable to the derecognition of software costs.

Chart III - Total Assets ($ Millions)



Financial Results

Total liabilities rose by $188.7 million (3.5 per cent) to $5,656.3 million year-over-year, mainly due to a growth of $127.8 million in currency in circulation, $53.3 million in participating governments' fixed deposits and $37.0 million in participating governments' fiscal tranche I call accounts. The increase in total liabilities was partially offset by reductions of $35.7 million and $20.2 million in Eastern Caribbean Securities Registry account and bankers' reserves, respectively.

Total equity grew by $166.8 million (52.7 per cent) to $483.0 million, up from $316.2 million the previous year. The growth in equity was driven primarily by to an increase of $68.3 million in general reserve following the allocation from profit for the year, and a rise of $59.1 million in investment revaluation reserve due to fair value gains on foreign investment securities over the year. Also contributing to the rise in equity was an increase of $45.4 million in property revaluation reserve, following the valuation of the Bank's land and buildings as 31 March 2025. The aforementioned increases were partly offset by a decline of $8.4 million in pension reserve, due to remeasurement losses on the Bank's defined benefit pension plan.

Statement of Profit or Loss

The Bank delivered a strong financial performance, recording a profit of $126.2 million for the year ended 31 March 2025, representing an increase of $46.1 million (57.5 per cent) over the profit of $80.2 million in the prior year. This improvement was largely attributed to higher interest earned on the Bank's foreign reserve assets.

Chart IV - Composition of Assets ($ Millions)

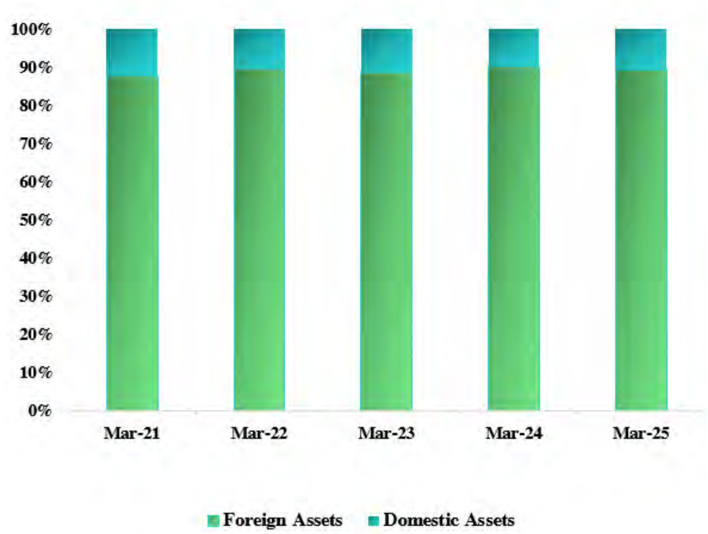
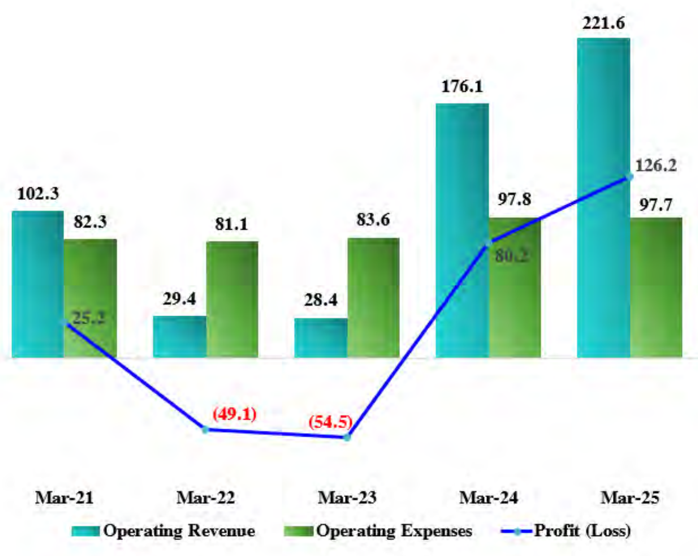


Chart V - Operating Results ($ Millions)



Financial Results

Operating revenue amounted to $221.6 million, up $45.5 million (25.8 per cent) year-over-year, largely on account of a $51.5 million increase in interest income. This surge was driven by higher yields on the Bank's foreign reserve assets, reflecting the elevated interest rate environment in the United States, which was shaped by the Federal Reserve's monetary policy stance in response to inflationary conditions.

Net interest income rose by $46.6 million to $201.8 million for the year ended 31 March 2025, mainly on account of higher interest income on the foreign investment securities, which climbed by $68.8 million. Additionally, interest income from participating governments' securities and advances increased by $0.8 million. The growth in net interest income was partially offset by a decrease of $18.0 million in interest on money market instruments and money at call and an increase of $4.9 million in interest expense.

Operating expenses for the year ended 31 March 2025 totalled $97.7 million, marking a slight decrease of $0.1 million (0.1 per cent) from $97.8 million in the previous year. The marginal decrease was due to a $10.7 million in impairment recoveries on financial assets, tempered by increases of $5.8 million in salaries, pensions and other staff benefits, and $3.5 million in administrative and general expenses.

Impairment losses on financial assets declined primarily due to a modification loss adjustment on financial assets and the reduction of impairment losses on receivables. The increase in salaries, pensions and other staff benefits was due to general salary adjustments and the hiring of new staff during the year. Administrative and general expenses rose mainly due to the derecognition of intangible assets, increased costs for software support and maintenance service contracts, and expenses related to strategic initiatives.

The Bank's financial performance for the year reflected strong returns on foreign reserves and solid balance sheet growth. The increase in equity and the stability in operating expenses further strengthened the Bank's financial position and operating results. These results reflect the Bank's execution of key strategic initiatives and sustained progress in advancing its mandate and long-term priorities.

Chart VI - Operating Revenue ($ Millions)

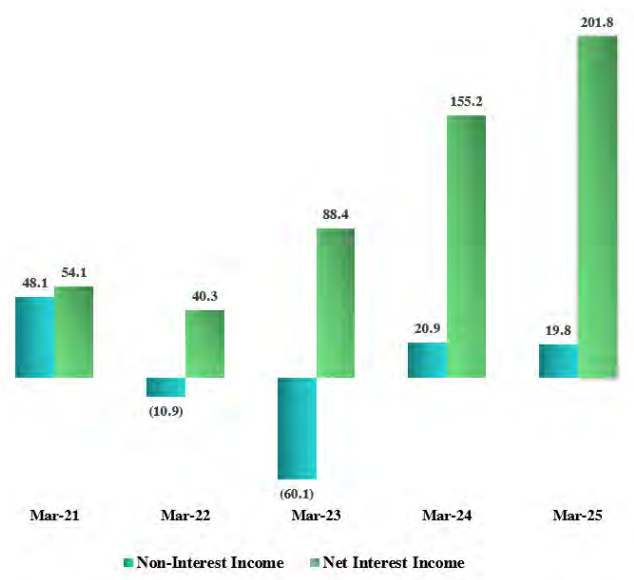
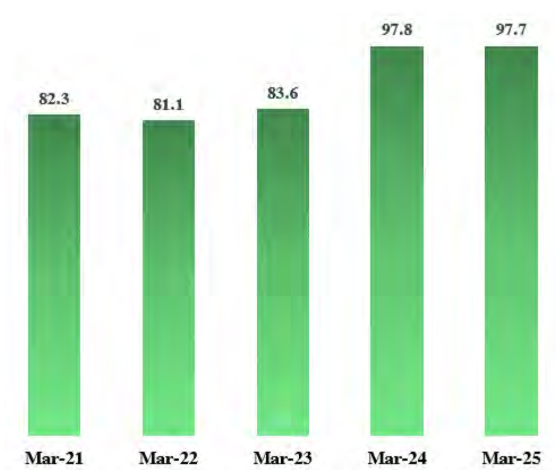


Chart VII - Operating Expenses ($ Millions)



Areas of Focus 2025 - 2026

Areas of Focus 2025-2026

Financial Stability

Implementation of SWIFT

The ECCB will finalise efforts towards full implementation of SWIFT's mandatory migration to International Organization for Standardisation (ISO) standard (ISO20022) by November 2025. Efforts will include internal training and various rounds of testing internally and with external partners for the effective implementation of the standard. The Harmonised Messaging Standards, which serve as guidelines for the exchange of financial messaging between ECCB and its clients, will also be revised to promote efficiency in the Real-Time Gross Settlement (RTGS) environment.

AML/CFT/CPF Policy

The ECCB will complete and implement an AML/CFT/CPF Policy to establish a comprehensive framework towards the identification, assessment, monitoring and management of money laundering, terrorist and proliferation financing risks associated with all activities of the ECCB. The policy will augment existing policies and procedures within the Bank that were developed to mitigate risks when conducting business, establishing relationships and executing transactions on behalf of and with clients, employees and service providers of the Central Bank.

Regulation and Supervision

Basel II/III Implementation: Enhancing the supervisory framework through the operationalisation of the Basel II/III capital adequacy framework, including implementation of Pillar 2 and Pillar 3, to bolster the LFIs' capital position and risk management function. The way forward includes: conducting Basel II/III reviews by December 2025, ongoing operationalisation of the Supervisory Review and Evaluation Process, and commencing the implementation of Pillar 3.

AML/CFT/CPF Supervisory Framework: Continual improvement of the framework to include the issuance of guidance and standards on key areas, such as Institutional ML/TF/PF Risk Assessments, Ongoing Monitoring, and Beneficial Ownership. The ECCB will continue to push its mandate to offer industry training on critical AML/CFT/CPF areas, such as ongoing monitoring, risk assessments, and simplified due diligence, as well as increased stakeholder engagement and collaboration. In addition, the ECCB will facilitate its participation in regional outreach and public education for the Basic Bank Account.

Oversight of the Payment and Settlement System: The Bank will finalise the outstanding manuals; continue the review and enhancement of data collection templates; implement the payment system oversight framework; and conduct on-site examinations to complement the off-site monitoring of the operations of Financial Market Infrastructures (FMIs). In order to mitigate systemic risk, the overarching objective is to foster regulatory compliance with the Principles for Financial Market Infrastructures (PFMIs) whose implementation is monitored by the CPMI-IOSCO.

Payment System and Services Bill and Payment System and Services (Licensing) Regulations: The ECCB will continue to follow up with ECCU member governments on the enactment of the Payment System and Services Bill and will finalise the Payment System and Services (Licensing)

Areas of Focus 2025-2026

Regulations. The ECCB will continue to support the consultancy under the Caribbean Digital Transformation Project, to develop and issue other regulations under the principal legislation.

Data Protection and Privacy Bill: Continue to support the consultancy to develop the harmonised Data Protection and Privacy Bill; finalise the Legislative and Regulatory Review and Gap Analysis Report; coordinate consultations with stakeholder groups; and assist with the review and finalisation of the Bill.

Macro and Microprudential Regulation: The ECCB will continue its efforts at strengthening financial stability across the ECCU's financial system through concerted effort in areas related to macroprudential and microprudential regulation, and by enhancing financial sector indicators. These efforts include the drafting of financial stability legislation; the development of a crisis resolution mechanism; the development and implementation of macroprudential instruments and indicators; and the continued macroprudential surveillance of financial institutions in the ECCU, with a view towards mitigating against systemic risks.

Monetary and Financial Statistics

In the fiscal year 2025/2026, the Bank, as part of its Financial Stability mandate, will continue to compile Monetary and Financial Statistics based on international standards. As an enhancement to its supervisory framework, the Bank will also undertake verification missions to its Licensed Financial Institutions (LFIs).

Work will continue on the implementation of the IMF Financial Soundness Indicators (FSI) 2019 Guide, with the goal of completing this initiative within the fiscal year 2025/2026. The ECCB will also continue the work on expanding the monetary and financial statistics to include data from the ECCB's licensed non-bank financial institutions. This is aimed at enhancing the ECCB's monitoring of the financial sector in the member countries. In the upcoming financial year, 2025/2026, the Bank will also enhance the Monetary Statistics to include data on the IMF Special Drawing Rights (SDRs). This is aimed at ensuring consistency with External Sector Statistics.

Strengthening Data Practices

Looking ahead, a major initiative will be the completion of a research paper on strengthening data practices for financial stability in the Eastern Caribbean Currency Union (ECCU). The basis of this paper is a data management maturity survey, which was conducted among the region's LFIs and provides a comprehensive analysis of their current state of data practices. The ECCB will also support the staff and commercial banks in conducting the Bank Confidence Survey, providing valuable data to assess public trust in the financial system.

Deposit Insurance

The Bank will pursue its objective to establish the Eastern Caribbean Deposit Insurance Corporation (ECDIC) for the ECCU financial system towards protecting small, less sophisticated depositors. In the financial year 2025/2026, the bill is expected to be passed in member states' Parliaments. In the interim, the Technical Working Group will begin preparatory work to develop the work plan for the ECDIC. This would include identifying and

Areas of Focus 2025-2026

establishing the Board of Directors; advertising for a Chief Executive Officer (CEO) and Administrative Assistant; and preparing the necessary documentation and initiatives to facilitate the launch of the ECDIC, including a public awareness campaign as part of financial literacy education.

Secured Transaction and Collateral Registry Reform

The focus for 2025/2026 will be on engaging policy and legislative consultants to research and draft secured transactions and collateral registry legislation for the ECCU countries, with the exception of Saint Lucia, which has already enacted the law for secured transactions and collateral registry. With assistance from the IFC, CDB and the Collateral Registry in Saint Lucia, the goal is to champion and assist the seven other ECCU member states in researching, conducting stakeholder consultations, bill writing, capacity building, and public awareness for project reform.

Establishment of the ECCU Credit Bureau

Looking ahead to fiscal year 2025/2026, the ECCB remains committed to ensuring the full integration of all remaining banks and credit unions into the Credit Bureau system. This will ensure that the Credit Bureau has a complete and accurate representation of credit-related data across the financial system. This integration will also foster a more transparent and efficient credit market by:

1. Enhancing risk assessment and credit decision-making by lenders;
2. Reducing information asymmetry between borrowers and lenders;
3. Supporting responsible lending practices; and
4. Promoting financial stability and inclusion across the ECCU region.

A comprehensive dataset will help lenders better evaluate creditworthiness, leading to more competitive loan terms for borrowers and an overall healthier financial ecosystem.

To achieve full integration, the ECCB is actively engaging with the remaining banks and credit unions to encourage and support their participation in the Credit Bureau system. This includes conducting targeted stakeholder consultations, and training sessions with the Credit Bureau to address operational and technical challenges. The ECCB is also working closely with national regulators and financial institutions to ensure compliance with the Credit Reporting Act, while providing technical assistance to facilitate a smooth onboarding process. Additionally, the ECCB is strengthening institutional capacity by helping financial institutions align their internal processes with credit bureau standards, and is continuously monitoring progress to ensure the full integration of all relevant entities across the ECCU.

A key priority in 2025/2026 will be the onboarding of secondary credit information providers, which will enhance the completeness and accuracy of credit portfolios, thereby providing a more comprehensive financial profile of data subjects. According to Section 27 of the Credit Reporting Act, secondary credit information providers (CIPs) include:

1. Utilities (such as water, electricity, and telecommunications providers);
2. Insurance companies;

Areas of Focus 2025-2026

3. Hire purchase companies;
4. Microfinance institutions;
5. Student loan providers;
6. Entities involved in the provision of goods or services on credit terms;
7. Government agencies involved in the administration of credit facilities (e.g., housing or business development loans); and
8. Any other entity designated by the Minister responsible for finance, after consultation with the ECCB.

These secondary CIPs will contribute additional data that expands the credit profiles of individuals and businesses, giving lenders a broader perspective beyond traditional banking relationships to make immediate approval/denial on credit requests.

Payments Modernisation and Financial Inclusion

Upgrade of Payment System Infrastructure

The Bank will finalise the Policy for the Implementation of an Instant Payment System (IPS) in the ECCU and will collaborate with the Eastern Caribbean Automated Clearing House (ECACH) to deliver an IPS to the region. The Bank will continue engagements with all stakeholders on the implementation of the Interbank Payment System and engage potential end users and industry experts to ensure retail payment services are efficient, safe and secure.

Supply-Side Survey

The Bank will analyse the information from the Supply-Side Survey to inform policy advice on payment system development and oversight-related matters.

The ECCB will also continue to engage in financial inclusion efforts by supporting the development of a comprehensive financial inclusion strategy for the region.

In addition, staff from various departments will collaborate on the analysis of data from the Payments Supply-Side Survey, which will support the financial inclusion strategy.

Retail Bond Market

The Bank will continue to pursue the development of the retail bond market, and it is expected that the first retail instrument will be launched during the 2025/2026 financial year.

Environmental, Social and Corporate Governance

Greening of the Campus Project

The Bank will conduct an audit of the Greening of the Campus Project, which is scheduled to be completed within the financial year 2025/2026.

Citizenship by Investment Programmes Initiative

The Bank will continue to give support for the development of the legislation for the establishment of the CBI Regulator. Consultations in the remaining countries will continue into the beginning of the 2025/2026 financial year, culminating with Saint Lucia and Antigua and Barbuda. The initial draft of the legislation is scheduled for completion during the summer of 2025. The enactment of the legislation by National Parliaments is expected to

Areas of Focus 2025-2026

be completed by the end of 2025.

Financial Literacy and Inclusion Strategy

Financial inclusion refers to equal access by individuals and businesses to useful and affordable financial products and services — including savings, credit, insurance, and payment systems — delivered in a responsible and sustainable way. For the ECCU, financial inclusion is particularly important for bolstering economic resilience, reducing poverty, and enhancing the financial well-being of its people and businesses. Expanding access to financial services, empowers vulnerable groups, stimulates entrepreneurship, and improves overall economic participation within the region.

The ECCB, recognising the critical role of financial inclusion in fostering economic stability and growth, has prioritised the development of a regional Financial Literacy and Inclusion Strategy for 2025. The process is being coordinated by the ECCB, with the support of UNCDF and national focal points appointed by the member governments. The goal is to create a comprehensive and actionable strategy that addresses the region's unique challenges; sets clear objectives and targets; and outlines steps for implementation, monitoring and communication. Through collaborative consultations with national focal points and other stakeholders, the ECCB intends to craft a strategy that not only identifies gaps but also offers practical solutions to promote greater inclusion across all member states of the ECCU.

Public Education and Communication

The Bank aims to complete the refurbishing of the ECCB Connects Studio to facilitate the production of the award-winning programme. Additionally, efforts will be made to boost the Bank's presence on Social Media through the use of analytical tools and additional features on the various platforms.

Governance and Meetings Management

The Bank will continue to support the logistical arrangements for Monetary Council, Board, networking and consultative meetings with external stakeholders. Preparations are at an advanced stage for the hosting of the Bank's 108th Monetary Council Meeting in Antigua and Barbuda, where Prime Minister Gaston Browne will assume the Chairmanship of the Council for the period July 2025 – July 2026.

The Bank will institutionalise a Corporate Governance Framework, including the preparation of a Board of Directors Governance Manual and the implementation of Board Evaluations.

Strategic Plan Development and Implementation

The development of the Bank's Strategic Plan for the five-year period, 2026/2027 to 2031/2032, will be included in the Bank's top priorities. The launch is scheduled for April 2026.

Digital and Data Transformation

Financial Reporting and Compliance

In the financial year 2025/2026, the Bank will continue to provide training and technical assistance to financial institutions in the classification of financial accounts, as well as in the requisite protocols for submission of data through its SAS

Areas of Focus 2025-2026

software. This will be aimed at ensuring accurate financial reporting and compliance with submission protocols when using the SAS software.

Data Sharing Policy

A key focus in 2025/2026 will be the introduction of a micro-level data-sharing policy. This policy will govern the sharing of microdata between entities, ensuring that data privacy and security are maintained while promoting transparency and accessibility.

Artificial Intelligence (AI) Strategy

The Bank will continue its work on developing a data and AI strategy, including a strong emphasis on data governance. This will provide a roadmap for how data should be managed, protected, and utilised within the organisation as it continues its digital transformation journey.

Data Warehouse

Contributions to a new data warehouse will continue, with a focus on ensuring that the warehouse meets the evolving data needs of the ECCB.

Website Metrics

The ECCB will analyse the website metrics to enhance the Statistics page, identifying key performance indicators to measure content engagement and inform future improvements.

Organisational Effectiveness and Development

Strengthen the Management of Foreign Reserves

The Bank will implement an enhanced foreign currency reserve framework which will involve the following:

- ☑ Continuing the development of the credit risk management function which will support the measurement and monitoring of credit risk.
- ☑ Furthering the development of portfolio management skills used in the management of the foreign reserves.

Integrating Climate-related Financial Risks in the Eastern Caribbean

The implementation phase for integrating climate-related financial risks in the ECCU is schedule to commence by 31 December 2025. Ongoing work include the development of a climate-related risks taxonomy for institutions in the ECCU region and reporting templates for climate-related risks for financial institutions. Capacity building sessions will continue in this phase of the project.

Payment System Oversight Framework

The Bank will continue to focus on strengthening the capacity of staff through participation in workshops, seminars, conferences and expand its network through the engagement of international payments experts and industry leaders. Capacity building initiatives will also be extended to the designated FMIs in order to strengthen their operations.

The Bank will finalise and issue Guidelines for the Designation of Payment and Settlement Systems in the ECCU and the Criteria for Fit and Proper Persons.

Furthermore, the ECCB will support the procurement process for the consultancy to implement the

Areas of Focus 2025-2026

payment system oversight framework. This consultancy will focus on developing and implementing an operational toolkit and building capacity for the execution of core oversight activities.

Planned Department Audits

The Bank will conduct audits on the following departments for the financial year 2025/2026:

1. Management Information Systems
2. Research, Statistics and Data Analytics Department
3. Vulnerability and Penetration Test
4. Support Services Management Department
5. Human Resource Department
6. Currency Management Department

ECCB Blog and Digital Dialogues

The production and publication of blogs will continue in the 2025/2026 financial year. A number of topics from the Bank's external priorities, as it relates to its strategic medium-term plans, are scheduled for the 2025/2026 blog series. In addition, the Bank will persevere with plans to reestablish its Digital Dialogues series in the upcoming year, in an effort to deliver high-level conversations on contemporary and relevant issues pertinent to the people of the ECCU.

Engagement with Stakeholders

Transforming the region remains important to the Bank; therefore, it will persist in the utilisation of the various available platforms to bring together its stakeholders and partners to participate in the region's transformative agenda. The consultative meetings with Financial Secretaries and development banks will remain one of the key avenues utilised for policy discussion and advice.

Later in 2025, the Bank will host the technical seminar with the IMF on potential output growth and credit growth in the ECCU; topics will emanate from the 2025 policy discussions. In addition, the Bank looks forward to the IMF's 2026 Common Policies engagements. The Bank's country outreach programmes will also continue in the upcoming year.

Risk Management

During the 2025/2026 financial year, the Bank will undertake a number of key risk management activities aimed at propelling its risk maturity to the advanced or mature risk maturity level. These will include:

1. Utilisation of dynamic risk dashboards;
2. Performance of a comprehensive review of its approved risk appetite;
3. Implementation and Monitoring of its Key risk Indicators (KRIs);
4. Automation of its risk management practices through its Governance Risk and Compliance (GRC) Solution;
5. Setting core competencies for staff;
6. Delineation of clear performance expectations of staff; and
7. Integration of risk management in Staff Performance Management.

Business Continuity Management

During the 2025/2026 financial year, the Bank will finalise and implement its BCMS Strategy, endeavouring to raise awareness throughout the Bank and provide training for the persons within the various roles and responsibilities.

Areas of Focus 2025-2026

Compliance

During the upcoming financial year 2025/2026, the Bank expects to implement an automated Policy Management Solution to aid efficiency. In addition, other compliance functions will be integrated in the Bank's Governance risk and Compliance solution. A detailed action plan was completed for the implementation of the ECCB Compliance Function and is being actioned.

Data Management

Looking ahead, the Bank aims to build on the progress made in the 2024/2025 financial year by focusing on key strategic priorities. Efforts to enhance data collection and quality will continue. This will involve deepening engagement with member countries and refining survey methodologies to improve coverage of trade in services and financial flows.

Additionally, the ECCB will continue working towards the implementation of the Balance of Payments Manual (BPM7) standards to ensure compliance with evolving international statistical frameworks.

In financial year 2025/2026, the ECCB will resume national accounts compilation and review missions to the member countries aimed at providing much needed technical support to the compilation process so that historical and forecasted data can be released on time. Further collaboration with country teams to discuss the GDP estimates and forecasts will remain as the views of the member countries are a crucial component of the process. The ECCB will also seek other avenues to compile the GDP forecasts in a more timely manner and expand the GDP compilation into other statistical areas.

During the 2025/2026 financial year, the Bank will be involved in enhancing its research output as well as the skills of its research and statistics staff members.

Capacity building and training will remain a priority, with ongoing training sessions on the use of available software tools at the ECCB. The Bank will also continue to support staff in the execution of surveys, ensuring that survey data is collected and analysed efficiently.

Staff Development

A new Lunch and Learn initiative will be introduced to support staff development. This initiative will provide opportunities for staff to learn about key data-related topics in a more informal setting, fostering a culture of continuous learning and knowledge sharing within the organisation.

In the upcoming year, attention will also be directed toward leveraging technology to enhance processes and participation, with a key focus on implementing a new Human Resource Information System (HRIS) as part of the ECCB's Enterprise Resource Planning (ERP) initiative—Project BOOST.

Attention will also be given to policy review and development in the areas of increments; transfers and promotions; secondment and succession.

Additionally, training focus areas will include, Artificial Intelligence, Data Analytics and Communication.

Areas of Focus 2025-2026

Information Technology (IT) Projects

Implementation of the following IT projects are planned the 2025/2026 financial year:

1. Microsoft 365;
2. New Data Warehouse;
3. New Enterprise Content Management Solution;
4. Posit Connect;
5. Project BOOST; and
6. Hosting of Regional Central Banks Information Systems Specialists Conference.

Currency Management Initiatives

In terms of currency management, the Bank will focus on the following initiatives during the 2025/2026 financial year:

1. Finalising the designs of the EC banknotes and coins to reflect the transition from the image of the British Monarch;
2. Exploring viable and cost-effective options for disposing of and recycling shredded polymer banknotes;
3. Applying scientific forecasting methodologies and data analytics to improve currency demand projections;
4. Continuing the delivery of 'Know Your Money' training for cash handlers across the Eastern Caribbean Currency Union, focusing on the features of the EC polymer banknotes; and
5. Implementing a coin redemption strategy to encourage the return and recirculation of coins held by the public.

Culture and Change Management

The Bank will continue to promote culture and change management initiatives among staff, including hosting staff sensitisation programmes on matters related to Bank culture, and encouraging coaching and mentorship activities for staff at all levels. The following initiatives will also be executed:

1. **Change Champions Programme**: Establish a network of Change Champions across all departments with monthly reporting and feedback mechanisms to facilitate cultural transformation at the grassroots level.
2. **Staff Engagement Initiatives:**
   - ☑ Organise a recognition ceremony and unveiling of new CCMI logo
   - ☑ Implement "#IamECCB" campaign to reinforce organisational identity and pride
3. **Leadership Development:** encourage and coordinate the Bank's Leadership Forum and the Leadership Peer Coaching and Mentorship Programme, strengthening internal talent development.
4. **Assessment and Feedback:** Conduct Voice of Employee surveys, scenario-led discussions, and focus groups to measure engagement and gather feedback on cultural initiatives.
5. **Cultural Framework Implementation:** Promote the adoption of the Bank's Three Declarations (Competent yet Caring, Imaginative and Industrious, Proactive yet Prudent) through targeted communication and reinforcement activities.

List of Clearing Banks Maintaining Accounts with the ECCB

As at 31 March 2025

ANGUILLA
- National Commercial Bank of Anguilla Ltd
- Republic Bank (Anguilla) Limited

ANTIGUA AND BARBUDA
- Antigua Commercial Bank
- Caribbean Union Bank Ltd
- Eastern Caribbean Amalgamated Bank Limited
- CIBC Caribbean Bank (Barbados) Limited

COMMONWEALTH OF DOMINICA
- National Bank of Dominica Ltd
- Republic Bank (EC) Limited

GRENADA
- Grenada Co-operative Bank Ltd
- Republic Bank (Grenada) Ltd
- ACB Grenada Bank Ltd

MONTSERRAT
- Bank of Montserrat Ltd

SAINT CHRISTOPHER (ST KITTS) AND NEVIS
- The Bank of Nevis Ltd
- St Kitts-Nevis-Anguilla National Bank Ltd
- Republic Bank (EC) Limited
- CIBC Caribbean Bank (Barbados) Limited

SAINT LUCIA
- Bank of Saint Lucia Ltd
- Republic Bank (EC) Limited
- 1st National Bank of St Lucia Ltd
- CIBC Caribbean Bank (Barbados) Limited

SAINT VINCENT AND THE GRENADINES
- Bank of St Vincent and the Grenadines
- Republic Bank (EC) Limited
- 1st National Bank of St Lucia Ltd *(St Vincent Branch)*

Independent Auditors' Report and Financial Statements

The financial statements of the Eastern Caribbean Central Bank comprise the statement of financial position as at 31 March 2025, the statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

The financial statements were audited by PricewaterhouseCoopers Eastern Caribbean in accordance with International Standards on Auditing (ISAs).

Independent auditors’ report

To the Participating Governments of Eastern Caribbean Central Bank

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Caribbean Central Bank (the Bank) as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Bank’s financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditors’ report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers East Caribbean, P.O. Box 535, Ram’s Complex, Bird Rock, St. Kitts
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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Chartered Accountants
27 June 2025

Eastern Caribbean Central Bank

Financial Statements
31 March 2025
(Expressed in Eastern Caribbean dollars)

Table of Contents

Eastern Caribbean Central Bank

Statement of Financial Position

As at 31 March 2025

(Expressed in Eastern Caribbean dollars)

	Notes	**31 March 2025** **$**	31 March 2024 $
Assets			
Foreign assets			
Regional and foreign currencies		**69,274,294**	166,233,126
Balances with other central banks	5	**13,389,423**	1,179,342
Balances with foreign banks	5	**100,602**	44,863
Money market instruments and money at call	6	**588,605,513**	729,451,069
Derivative financial instruments	7	**2,762**	60,608
Foreign investment securities	9	**4,814,468,816**	4,325,569,970
		5,485,841,410	5,222,538,978
Domestic assets			
Cash and balances with local banks		**4,615,179**	1,074,234
Domestic investment securities	9	**624,186**	624,186
Participating governments' securities	10	**210,361,927**	213,267,867
Participating governments' advances	11	**109,482,517**	61,946,545
Accounts receivable, prepaid expenses and other assets	12	**28,541,169**	28,819,698
Investments in associates	13	**15,416,847**	12,841,673
Intangible assets	14	**1,175,577**	7,402,472
Property and equipment	15	**253,052,617**	197,489,494
Right-of-use assets	16	**3,251,058**	2,460,990
Pension asset	22	**26,954,000**	35,347,000
		653,475,077	561,274,159
Total Assets		**6,139,316,487**	5,783,813,137
Liabilities			
Demand and deposit liabilities - domestic	17	**5,569,924,396**	5,385,890,262
Demand and deposit liabilities - foreign	18	**81,613,821**	77,771,381
IMF government general resource accounts	19	**1,153,537**	1,178,996
Derivative financial instruments	20	**60,618**	25,297
Lease liabilities	16	**3,549,841**	2,721,099
Total Liabilities		**5,656,302,213**	5,467,587,035
Equity			
General reserve		**282,634,588**	214,294,966
Other reserves	21	**200,379,686**	101,931,136
Total Equity		**483,014,274**	316,226,102
Total Liabilities and Equity		**6,139,316,487**	5,783,813,137

Approved for issue by the Board of Directors on 20 June 2025 and signed on its behalf by:

________________ Governor ________________ Director, Accounting Department

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Central Bank

Statement of Profit or Loss

For the year ended 31 March 2025

(Expressed in Eastern Caribbean dollars)

	Notes	**2025** **$**	2024 $
Interest income	26	**211,352,025**	159,829,373
Interest expense	26	**(9,527,759)**	(4,636,291)
Net interest income		**201,824,266**	155,193,082
Commission income – foreign transactions		**11,451,523**	12,526,477
Commission income – other transactions		**4,122,961**	5,289,343
Net gains/(losses) on sale of foreign investment securities at fair value through other comprehensive income (FVOCI)	9	**647,984**	(115)
Other income	27	**3,552,581**	3,106,807
Operating income		**221,599,315**	176,115,594
Salaries, pensions and other staff benefits	28	**47,833,573**	42,082,111
Currency expenses		**4,780,621**	4,261,638
Amortisation	14	**871,680**	907,112
Depreciation	15, 16	**8,372,086**	7,487,059
Administrative and general expenses	30	**43,944,797**	40,476,605
Impairment (reversals/recoveries)/losses on financial assets, net	29	**(8,054,354)**	2,623,122
Operating expenses		**97,748,403**	97,837,647
Operating profit for the year		**123,850,912**	78,277,947
Share of profit of associates	13	**2,377,602**	1,884,325
Profit for the year		**126,228,514**	80,162,272

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Central Bank
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2025
(Expressed in Eastern Caribbean dollars)

	Notes	**2025** **$**	2024 $
Profit for the year		**126,228,514**	80,162,272
Other comprehensive income			
Items that are or may be subsequently reclassified to profit or loss:			
Net gains from changes in the fair value of foreign debt investments at FVOCI	21	**59,832,085**	66,894,961
(Gains)/losses on sale of foreign debt investment securities at FVOCI recycled to profit or loss	9	**(647,984)**	115
Reversal of impairment losses on foreign debt investment securities at FVOCI	21	**(73,091)**	(560,043)
Share of associates fair value gains/(losses) on investments at FVOCI	13	**859,051**	(15,342,573)
		59,970,061	50,992,460
Items that will not be reclassified to profit or loss:			
Revaluation of land and buildings	15	**45,400,719**	-
Remeasurement (losses)/gains on defined benefit pension plan	22	**(10,062,000)**	4,851,000
Total other comprehensive income for the year		**95,308,780**	55,843,460
Total comprehensive income for the year		**221,537,294**	136,005,732

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Central Bank
Statement of Changes in Equity
For the year ended 31 March 2025
(Expressed in Eastern Caribbean dollars)

	Retained Earnings $	General Reserve $	Capital Reserve $	Property Revaluation Reserve $	Investment Revaluation Reserve $	Self-Insurance Reserve Fund $	Pension Reserve $	Export Credit Guarantee Fund $	Total $
Balance, 31 March 2024	**-**	**214,294,966**	**6,537,928**	**118,910,732**	**(76,399,146)**	**15,725,745**	**35,347,000**	**1,808,877**	**316,226,102**
Profit for the year	126,228,514	-	-	-	-	-	-	-	126,228,514
Revaluation adjustment (note 15)	-	-	-	45,400,719	-	-	-	-	45,400,719
Remeasurement loss on defined benefit pension plan (note 22)	-	-	-	-	-	-	(10,062,000)	-	(10,062,000)
Net change in fair value of investment securities at FVOCI	-	-	-	-	59,111,010	-	-	-	59,111,010
Share of associates fair value gains on investment securities at FVOCI	-	-	-	-	859,051	-	-	-	859,051
Total comprehensive income	126,228,514	-	-	45,400,719	59,970,061	-	(10,062,000)	-	221,537,294
Allocation to general reserve	(68,339,622)	68,339,622	-	-	-	-	-	-	-
Allocation to pension reserve (note 21)	(1,669,000)	-	-	-	-	-	1,669,000	-	-
Allocation to self-insurance fund (note 21)	(1,470,770)	-	-	-	-	1,470,770	-	-	-
Allocation to fiscal tranche I (note 17)	(32,849,473)	-	-	-	-	-	-	-	(32,849,473)
Allocation to fiscal tranche II (note 17)	(21,899,649)	-	-	-	-	-	-	-	(21,899,649)
Balance, 31 March 2025	**-**	**282,634,588**	**6,537,928**	**164,311,451**	**(16,429,085)**	**17,196,515**	**26,954,000**	**1,808,877**	**483,014,274**

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Central Bank

Statement of Changes in Equity *(continued)*

For the year ended 31 March 2025

(Expressed in Eastern Caribbean dollars)

	Retained Earnings $	General Reserve $	Capital Reserve $	Property Revaluation Reserve $	Investment Revaluation Reserve $	Self-Insurance Reserve Fund $	Pension Reserve $	Export Credit Guarantee Fund $	Total $
Balance, 31 March 2023	**-**	**134,889,895**	**6,537,928**	**118,910,732**	**(127,391,606)**	**14,488,544**	**30,976,000**	**1,808,877**	**180,220,370**
Profit for the year	80,162,272	-	-	-	-	-	-	-	80,162,272
Remeasurement gain on defined benefit pension plan (note 22)	-	-	-	-	-	-	4,851,000	-	4,851,000
Net change in fair value of investment securities at FVOCI	-	-	-	-	66,335,033	-	-	-	66,335,033
Share of associates fair value losses on investment securities at FVOCI	-	-	-	-	(15,342,573)	-	-	-	(15,342,573)
Total comprehensive income	80,162,272	-	-	-	50,992,460	-	4,851,000	-	136,005,732
Allocation to general reserve	(79,405,071)	79,405,071	-	-	-	-	-	-	-
Allocation from pension reserve (note 21)	480,000	-	-	-	-	-	(480,000)	-	-
Allocation to self-insurance reserve fund (note 21)	(1,237,201)	-	-	-	-	1,237,201	-	-	-
Balance, 31 March 2024	**-**	**214,294,966**	**6,537,928**	**118,910,732**	**(76,399,146)**	**15,725,745**	**35,347,000**	**1,808,877**	**316,226,102**

The accompanying notes are an integral part of these financial statements.

Eastern Caribbean Central Bank

Statement of Cash Flows

For the year ended 31 March 2025

(Expressed in Eastern Caribbean dollars)

	Notes	2025	2024
		$	$
Cash flows from operating activities			
Profit for the year		**126,228,514**	80,162,272
Adjustments for:			
Depreciation of property and equipment	15	**7,424,008**	6,531,909
Depreciation of right-of-use assets	16	**948,078**	955,150
Amortisation of intangible assets	14	**871,680**	907,112
Net (gains)/losses on sale of foreign investment securities at FVOCI	9	**(647,984)**	115
Share of profit of associates	13	**(2,377,602)**	(1,884,325)
Net pension cost during the year	28	**1,912,000**	3,536,000
Gain on sale of property and equipment	27	**(50,981)**	(2,420)
Gain on lease modification	27	**(10,068)**	(18,857)
Impairment (reversals/recoveries)/losses on financial assets	29	**(8,054,354)**	2,623,122
Derecognition of intangible asset	30	**5,389,505**	-
Interest income	26	**(211,352,025)**	(159,829,373)
Interest expense on demand and deposit liabilities	26	**9,338,632**	4,464,527
Interest expense on lease liabilities	26	**189,127**	171,764
Cash flows used in operations before changes in operating assets and liabilities		**(70,191,470)**	(62,383,004)
Changes in operating assets and liabilities			
Money market instruments	6	**544**	94,400,066
Participating governments' securities	10	**9,773,563**	12,271,184
Participating governments' advances	11	**(47,829,862)**	90,156,379
Accounts receivable and prepaid expenses	12	**1,600,782**	(1,451,031)
Derivative financial asset	7	**57,846**	(60,608)
Derivative financial liabilities	20	**35,321**	(460,070)
Demand and deposit liabilities - domestic and foreign	17, 18	**188,023,800**	(289,465,667)
IMF government general resource accounts	19	**(25,459)**	2,384
Cash generated from (used in) operations before interest and pension contributions		**81,445,065**	(156,990,367)
Interest received		**200,193,288**	159,690,656
Interest paid		**(9,674,985)**	(4,185,065)
Pension contributions paid	22	**(3,581,000)**	(3,056,000)
Net cash generated from (used in) operating activities		**268,382,368**	(4,540,776)
Cash flows from investing activities			
Acquisition of property and equipment	15	**(17,598,020)**	(17,315,377)
Acquisition of intangible assets	14	**(34,290)**	(345,586)
Proceeds from sale of property and equipment		**62,588**	3,231
Proceeds from sales and maturities of foreign investment securities at FVOCI	9	**10,087,286,927**	5,527,510,805
Purchase of foreign investment securities at FVOCI	9	**(10,504,079,084)**	(5,796,210,505)
Dividends received from associates	13	**661,479**	465,028
Net cash used in investing activities		**(433,700,400)**	(285,892,404)

Eastern Caribbean Central Bank
Statement of Cash Flows *(continued)*
For the year ended 31 March 2025
(Expressed in Eastern Caribbean dollars)

	Notes	2025	2024
Cash flows from financing activities			
Repayment of lease liabilities	16	**(899,336)**	(910,211)
Portion of current year's profit distributed to participating governments	17	**(54,749,122)**	-
Net cash used in financing activities		**(55,648,458)**	(910,211)
Net decrease in cash and cash equivalents		**(220,966,490)**	(291,343,391)
Cash and cash equivalents, beginning of year	25	**896,334,588**	1,187,677,979
Cash and cash equivalents, end of year	25	**675,368,098**	896,334,588

The accompanying notes are an integral part of these financial statements.

1. Incorporation and principal activity

The Eastern Caribbean Central Bank ("ECCB" or the "Bank") was established under the Eastern Caribbean Central Bank Agreement Act 1983 (the "Act") on July 5, 1983 with the ratification of the Act by Governments participating in the Eastern Caribbean Currency Authority (the "Authority"). In accordance with Article 54(2) of the Act, the ECCB was formally established on October 1, 1983 on which date the Authority ceased to exist. Effective from that date, all the assets and liabilities of the Authority, together with all its rights and obligations that are consistent with the provisions of the Act were deemed to have been transferred to and vested in the Bank.

The principal activity of the ECCB is to issue, manage and safeguard the international value of the Eastern Caribbean currency, to regulate the availability of money and credit, to promote and maintain monetary stability and a sound financial structure, and to promote economic development in the territories of the Participating Governments.

The Participating Governments include Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher (St Kitts) and Nevis, Saint Lucia and Saint Vincent and the Grenadines, which also compose the Eastern Caribbean Currency Union ("ECCU").

The primary office of the ECCB is at Bird Rock, Basseterre, Saint Christopher (St Kitts) and Nevis and its agency offices are located in the other seven member territories.

2. Material accounting policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, except for the following:

- Financial assets measured at fair value through other comprehensive income;
- Financial assets and liabilities measured at fair value through profit or loss;
- Land and buildings measured at fair value.

On the statement of financial position, domestic assets and liabilities are those which are located within the Eastern Caribbean Currency Union, and include certain regional assets and liabilities, which are located within other Caribbean territories. Foreign assets and liabilities are those which are located outside of the Caribbean.

The financial statements were authorised for issue by the Board of Directors on 20 June 2025.

Neither the Bank's member governments nor others have the power to amend the financial statements after issue.

2. Material accounting policies *(continued)*

a) Basis of preparation *(continued)*

New standards, interpretations and amendments to existing standards effective in the current financial year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Bank has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants (effective for annual reporting periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. These amendments had no effect on the Bank's financial statements.

Amendment to IAS 16 - Leases on sales and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. These amendments had no effect on the financial statements of the Bank.

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued, which are not yet effective and have not been early-adopted by the Bank.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

2. Material accounting policies *(continued)*

a) Basis of preparation *(continued)*

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted *(continued)*

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025) *(continued)*
A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Bank is currently assessing the impact of this amendment.

Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures', 'the Classification and Measurement of Financial Instruments', (effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic and cash transfer system;
(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets): and
(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Bank is currently assessing the impact of this amendment. It is not anticipated that the amendments will have a significant impact on the Bank's financial statements.

IFRS 18, 'Presentation and Disclosure in Financial Statements', (effective for annual periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

2. Material accounting policies *(continued)*

a) Basis of preparation *(continued)*

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted *(continued)*

IFRS 18, 'Presentation and Disclosure in Financial Statements', (effective for annual periods beginning on or after 1 January 2027) *(continued)*

- enhance principles or aggregation and disaggregation which apply to the primary financial statements and notes in general

The Bank is assessing the impact of this new standard.

b) Associates

Associates are all entities over which the Bank has significant influence but not control, generally accompanied by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Bank's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income or loss is recognised in other comprehensive income or loss with a corresponding adjustment to the carrying amount of the investment.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Bank's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Bank does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Bank determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Bank calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit (loss) of associates' in the statement of profit or loss.

Unrealised gains on transactions between the Bank and its associates are eliminated to the extent of the Bank's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For the preparation of the financial statements, common accounting policies for similar transactions and other events in similar circumstances are used. Dilution gains and losses in associates are recognised in the statement of profit or loss.

2. Material accounting policies *(continued)*

c) Fair value measurement

The Bank measures financial instruments, such as investment securities, certain money market instruments and derivatives at fair value at each financial reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

IFRS 13 requires that the fair value of a liability or equity instrument of the entity be determined under the assumption that the instrument would be transferred on the measurement date, but would remain outstanding. Accordingly, the fair value of a liability must take account of non-performance risk, including the entity's own credit risk.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described in Note 3(e).

d) Use of judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. Actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2. Material accounting policies *(continued)*

e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the ECCB operates (the “functional currency”). The financial statements are presented in Eastern Caribbean dollars, which is the ECCB’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Changes in fair value of monetary securities denominated in foreign currency are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security.

Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income or loss.

All foreign exchange gains and losses recognised in the statement of profit or loss are presented net. Foreign exchange gains and losses on other comprehensive income or loss items are presented in other comprehensive income or loss.

f) Comparative information

The Bank’s financial statements provide comparative information in respect of the preceding period for all amounts reported in the current period. Except when an IFRS permits or requires otherwise, comparative information shall be disclosed in respect of the preceding period for all amounts reported in the financial statements. Where necessary, comparative figures have been reclassified to be consistent with the current year’s presentation. These changes had no impact on the total assets or total equity.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities

(i) Initial recognition and measurement of financial assets and liabilities

A financial instrument (financial asset or financial liability) is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially recognised on the settlement date, which is the date that an asset is delivered to or by the Bank. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the instrument, such as fees and commissions. Subsequent measurement of financial assets and financial liabilities is described below.

(ii) Classification and measurement of financial assets

The Bank classifies its financial assets in the following measurement categories based on the business model for managing the assets and the assets' contractual cash flow characteristics under IFRS 9:

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other equity investments are classified as measured at FVTPL.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ii) *Classification and measurement of financial assets* *(continued)*

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(iii) *Business model assessment*

Business model assessment entails a determination of the way financial assets are managed in order to generate cash flows. There are three business models available under IFRS 9:

- Hold to collect: it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest form the counterparty.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity elects to sell some or all of the assets before maturity as circumstances change or to hold the assets for liquidity purposes.
- Other: all those models that do not meet the ‘hold to collect’ or ‘hold to collect and sell’ qualifying criteria.

The assessment of business model requires judgement based on facts and circumstances at the date of initial application. The business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios per instrument type and is based on observable factors.

The Bank determines its business model at the portfolio level (foreign reserves and domestic assets portfolios) as this best reflects the way the Bank manages its financial assets to achieve its business objective. The Bank’s business model assessment considers the following qualitative and observable factors:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolios is evaluated and reported to the Bank’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how asset managers are compensated (e.g. whether compensation is based on the fair value of the asset managed or the contractual cash flows collected); and

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(iii) Business model assessment *(continued)*

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

(iv) Assessment of whether contractual cash flows are solely payments of principal and interest

The second criteria in the classification process is the Bank's assessment of the contractual terms of financial assets to determine whether they meet the solely payments of principal and interest (SPPI) test. Contractual cash flows that represent solely payments of principal and interest on the principal amount outstanding are consistent with basic lending arrangements.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time. It can also include consideration for other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs) associated with holding the financial asset for a particular period of time, and a profit margin that is consistent with a basic lending arrangement.

If a financial asset is held in either a 'Hold to Collect' or a 'Hold to Collect and Sell' business model, then assessment to determine whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding at initial recognition is required to determine the classification. The SPPI test is performed on an individual instrument basis.

In assessing whether the contractual cash flows are SPPI, the Bank considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument, which could affect whether the instrument is considered to meet the SPPI test. If the SPPI test failed, such financial assets are measured at FVTPL with interest earned recognised in other interest income.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(v) Debt instruments measured at amortised cost

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

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

(vi) Debt instruments measured at FVOCI

The Bank measures debt investment securities at FVOCI when both of the following categories are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt investment securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(vii) Equity instruments

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

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

Equity instruments measured at Fair value through profit or loss (FVTPL)

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase, with transaction costs recognised immediately in profit or loss. Subsequent to initial recognition the changes in fair value are recognised in the statement of profit or loss. Equity instruments at FVTPL are primarily assets held for trading.

Equity instruments measured at FVOCI (designated)

The Bank made an irrevocable election to classify certain equity instruments at FVOCI when they are not held for trading as these investments are expected to be held for the long-term and for strategic purposes. This election is made on an instrument-by-instrument basis and is not available for equity instruments that are held for trading purposes. Gains and losses on these instruments including when derecognised/sold are recorded in OCI and are not subsequently reclassified to the statement of profit or loss. As such, there is no specific impairment requirement. Dividends received are recorded in profit or loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to profit or loss on sale of the security.

(viii) Financial assets at fair value through profit or loss

Groups of financial assets for which the business model is other than held to collect and held to collect and sell are measured at FVTPL. Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets

IFRS 9 requires the Bank to record ECLs on all debt instruments measured at amortised cost or FVOCI.

The Bank conducted ECL assessment for the following categories of financial assets:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI.

Equity investment securities are not subject to impairment testing under IFRS 9.

The Bank measures loss allowances at an amount equal to 12-month ECL on the following:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Expected credit loss impairment model

The Bank applies a three-stage approach to measure the allowance for credit losses as required under IFRS 9. The ECL allowance is based on credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 3(b)(iii). The 12-month ECL is the portion of lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime and 12-month expected credit losses are calculated on an individual basis.

The Bank has established a policy to perform an assessment of whether a financial instrument's credit risk has increased significantly since initial recognition, at the end of each reporting period. This is undertaken by considering the change in the risk of default occurring over the remaining life of the financial instrument.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets *(continued)*

Expected credit loss impairment model *(continued)*

Based on the above process, the Bank classifies its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

<u>Stage 1: 12 months ECL</u>
The Bank assesses ECLs on financial assets where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions at initial recognition, the Bank recognises a loss allowance based on 12 months ECLs. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date.

<u>Stage 2: Lifetime ECL – not credit impaired</u>
The Bank collectively assesses ECLs on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Bank recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

<u>Stage 3: Lifetime ECL – credit impaired</u>
The Bank identifies, both collectively and individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. If the asset is no longer credit impaired, then the calculation of the interest income reverts to the gross basis.

Financial instruments within the scope of the impairment requirements of IFRS 9 are classified into one of the above three stages. Unless purchased or originated credit impaired, newly originated assets are classified as Stage 1 and remain in that stage unless there is considered to have been a significant increase in credit risk since initial recognition, at which point the asset is reclassified to Stage 2.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets *(continued)*

Measurement of expected credit losses (ECL)

The Bank derives ECLs from probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default (PD) is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 3.

EAD – The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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

When estimating the ECLs, the Bank considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets *(continued)*

Measurement of expected credit losses (ECL) *continued)*

The mechanics of the ECL method are summarised below:

Stage 1
The 12 months ECL is calculated as the portion of the lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2
When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the lifetime expected credit losses. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3
For financial assets considered credit-impaired, the Bank recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or originated credit-impaired (POCI) assets are financial instruments that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted effective interest rate. Expected credit losses are recognised to the extent that there is a subsequent change where ECLs are calculated based on lifetime expected credit loss. Once the financial asset is recognised as POCI, it retains this status until derecognised.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets *(continued)*

Measurement of expected credit losses (ECL) *(continued)*

Macroeconomic factors

The standard requires incorporation of macroeconomic factors in models for ECLs. In its models, the Bank utilises an automated solution which incorporates an assessment of a broad range of forward-looking economic information as possible inputs, such as: GDP growth, unemployment rates, inflation and interest rates.

Incorporation of forward looking information

IFRS 9 requires the incorporation of forward looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

Financial assets classified as 'default' are transferred to stage 3 and impairment loss is measured based on lifetime expected credit losses.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets (continued)

Measurement of expected credit losses (ECL) *(continued)*

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

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

Significant increase in credit risk

A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers both quantitative and qualitative information and analysis based on historical experience and credit risk assessment. As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

IFRS 9 also requires that (other than for purchased or originated credit impaired financial instruments) if a significant increase in credit risk that had taken place since initial recognition, has reversed by a subsequent reporting period then the loss allowance reverts from lifetime ECL to 12-month.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(ix) Impairment of financial assets *(continued)*

Measurement of expected credit losses (ECL) *(continued)*

Write-offs

Financial assets and the related impairment allowances, are written off, either partially or in full, when there is no realistic prospect of recovery.

Presentation of allowance for ECL

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

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

- Debt instruments measured at fair value through OCI - the ECLs are not recognised in the statement of financial position because the carrying amounts of these assets remain their fair values. However, the loss allowance is disclosed and is recognised in the investment revaluation reserve in equity with a corresponding charge to the statement of profit or loss. The accumulated loss recognised in OCI is recycled to profit or loss upon derecognition of the financial assets.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(x) Financial Liabilities

Initial recognition and measurement

The Bank classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Bank that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Financial liabilities at amortised cost

Other financial liabilities are initially recognised at fair value net of any transaction costs. After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(xi) Derecognition of financial assets and financial liabilities

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(xi) Derecognition of financial assets and financial liabilities (continued)

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged, or cancelled, or expire.

(xii) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

— fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

— other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(xii) Modification of financial assets and financial liabilities *(continued)*

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(xiii) Measurement and gains and losses

The ‘foreign investment securities’ caption in the statement of financial position includes:

- debt securities measured at FVOCI;
- U.S. Government Agency Residential Mortgage-Backed Securities measured at FVTPL;
- equity investment securities designated as at FVOCI; and
- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(xiii) Measurement and gains and losses *(continued)*

The Bank elects to present in OCI, changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(xiv) Other financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with other banks, short-term highly-liquid funds and investments with original maturities of 90 days or less from the date of acquisition that are readily convertible to know amounts of cash, and which are subject to an insignificant risk of changes in value.

Accounts receivable

Trade and other receivables are measured at amortised cost, less expected credit loss.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets including recent market transactions. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of the Bank's derivative instruments are recognised immediately in the statement of profit or loss.

The best evidence of the fair value of a derivative at initial recognition is the transaction price, that is, the fair value of the consideration given or received unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (that is, without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The Bank’s derivative financial instruments are foreign currency forward contracts. Derivative financial instruments are measured at fair value and disclosed in Notes 7 and 20. None of the Bank's derivative instruments have been designated as hedging instruments.

2. Material accounting policies *(continued)*

g) Financial assets and financial liabilities *(continued)*

(xiv) Other financial instruments *(continued)*

Demand and deposit liabilities - domestic

Demand and deposit liabilities – domestic are the Bank's Eastern Caribbean dollar obligations to clients/institutions in the Organisation of Eastern Caribbean States (OECS) settled on demand and are measured at amortised cost. Note 2(p) sets out information regarding notes and coins in circulation.

Demand and deposit liabilities - foreign

Demand and deposit liabilities – foreign are the Bank's obligations to clients/institutions outside of the OECS that are settled on demand and are measured at amortised cost.

IMF government general resource accounts

The ECCB acts as fiscal agent of the participating governments in their transactions with the International Monetary Fund (IMF). To facilitate its role as fiscal agent, governments IMF general resource accounts are held at the ECCB. The accounts with the IMF, which records all transactions with the IMF, have been included in these financial statements. Participating governments position in the general resource accounts is reported on a net asset or net liability basis. IMF related assets and liabilities accounts are measured at amortised cost.

Other liabilities and payables

Other liabilities and payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other liabilities and payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(xv) Offsetting financial instruments

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

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

2. Material accounting policies *(continued)*

h) Property and equipment

Property and equipment are initially recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are subsequently carried at fair value, based on periodic independent valuations by a professional qualified valuer. These revaluations are carried out with sufficient regularity to ensure that the carrying value of land and buildings does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

At the date of revaluation, the accumulated depreciation on the revalued property is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method at rates estimated to write down the cost or valuation of such assets to their residual values over their estimated useful lives as follows:

Buildings	50 years;
Furniture and Equipment	5 – 15 years;
Motor vehicles	5 – 7 years;
Land improvements	10 years;
Building improvements	10 years;
Computer systems	3 – 5 years.

Land is not depreciated. Donated property is recorded at fair value at the time of receipt.

Property and equipment are periodically reviewed for impairment or when indicators exist that there may be impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. No property and equipment were impaired as at 31 March 2025 (2024: nil).

Gains and losses on the disposal of property and equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2. Material accounting policies *(continued)*

i) Intangible assets

Intangible assets are substantially comprised of acquired computer software programmes. These are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. The Bank chooses to use the cost model for the measurement after recognition. These costs are amortised using the straight-line method on the basis of the expected useful life of three years. Generally, the identified intangible assets of the Bank have a definite useful life. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

At each reporting date, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

j) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less costs to sell or the value in use can be determined reliably. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

k) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. Material accounting policies *(continued)*

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Bank recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Bank's activities, as described below.

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the statement of profit or loss for all instruments measured at amortised cost, FVOCI and FVTPL using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

Commissions' income

Commissions income are generally charged on transactions with commercial banks and other institutions except participating governments, and are generally recognised when the Bank transfers control of a product or service to a customer. Transactions that attract commissions include purchase and sale of foreign currency notes and balances and issue and redemption of Eastern Caribbean currency notes. Revenue related to transactions is recognised at the point in time when the transaction takes place.

Other income

Licence fees due under the Banking Act, are fixed and non-cancellable and are recorded in profit or loss when due. Pension fund administrative and management fees are charged for administrative and investment management services on behalf of the scheme, and are recognised as the related services are performed. Income from banking licence fees and pension fund administrative and management fees are reported in the statement of profit or loss in the 'other income' grouping.

2. Material accounting policies *(continued)*

m) Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank’s incremental borrowing rate. The Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

2. Material accounting policies (*continued)*

m) Leases (*continued)*

As a lessee (*continued)*

- the exercise price under a purchase option that the Bank is reasonably certain to exercise;
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and low-value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases as lessor

Operating lease

The Bank leases out office spaces to associated institutions under operating leases with rentals payable monthly. These leases are classified as operating leases, as they do not transfer all of the risks and rewards incidental to ownership of the assets. Note 27 sets out information about the operating leases.

n) Employee benefits

Staff pension plan

The Bank operates a defined benefit pension plan for its eligible employees. The assets of the plan are held in a single trustee administered fund, established by the Eastern Caribbean Central Bank. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension benefit is based on the final salary of the employee.

2. Material accounting policies *(continued)*

n) Employee benefits *(continued)*

Staff pension plan *(continued)*

An asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. An approximate value of the defined benefit obligation is calculated every year by independent actuaries using the projected unit credit method based on detailed calculations carried out for the most recent triennial funding valuation. Under this method, the cost of providing pensions is charged to the statement of profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every three years.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. Net interest expense and other expense related to defined benefit plan are recognised in profit or loss. Past-service costs are recognised immediately in the statement of profit or loss. The pension plan is funded by payments from employees and the Bank, taking into account the recommendations of independent qualified actuaries.

Prepaid employee short term benefit

The Bank facilitates loans to its staff at rates that are relatively low in comparison to the normal market rates in the Eastern Caribbean Currency Union (ECCU). These loans are recognised at fair value using a normal market rate, and the difference between the fair value and the consideration given to the employees is recorded as a pre-paid short term employee benefit. The pre-paid short-term employee benefit is amortised through the statement of profit or loss over the expected service life of the relevant individual employees or the expected life of the relevant individual loans, whichever is shorter.

o) Commemorative coins

The nominal value of commemorative coins sold is excluded from the balance of ‘Notes and Coins in circulation’ while the net proceeds from sales are included in the statement of profit or loss.

p) Currency in circulation

In accordance with the ECCB Agreement Act, the Bank is the sole authority to issue currency notes and coins for circulation in the Eastern Caribbean Currency Union. Bank notes and coins in circulation are non-interest bearing and are redeemable on demand.

2. Material accounting policies *(continued)*

p) Currency in circulation *(continued)*

The value of notes and coins in circulation is disclosed in Note 17.

q) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 Related Party Disclosures as the "reporting entity, in this case, the Bank").

(a) A person or a close member of that person's family is related to the Bank if that person:

(i) has control or joint control over the Bank;
(ii) has significant influence over the Bank; or
(iii) is a member of the key management personnel of the Bank or of a parent of the Bank.

(b) An entity is related to the Bank if any of the following conditions applies:

(i) The entity and the Bank are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Bank or an entity related to the Bank.
(vi) The entity is controlled, or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity or its parent is provided with key management personnel services by the management entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

r) Taxation

In accordance with Article 50 (8) (a) of the Eastern Caribbean Central Bank Agreement Act 1983, the Bank's income is exempt from any form of taxation.

3. Financial risk management

a) Introduction and overview

Risk is inherent in the Bank's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. By its nature, the Bank's activities are principally related to the use of financial instruments. The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

The strategy for using financial instruments is embedded in the mission of the Bank to maintain the stability of the Eastern Caribbean Dollar and the integrity of the banking system in order to facilitate the balanced growth and development of member states.

The activities of the Bank require the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. In executing its duties as a central bank, there are significant inherent risks, which the Bank faces, both at the macro and micro levels of its operations. These risks arise primarily through the Bank's execution of its reserve management function, the provision of banking services to governments and commercial banks and from the broad areas of monetary policy, financial sector stability, management of the payment system and the daily operational tasks undertaken to support these functions.

The Bank's aim is therefore to achieve an appropriate balance between risk and the objectives of its reserve management function which are: (i) preservation of capital, (ii) meeting liquidity requirements and (iii) realizing a satisfactory return. The Bank also seeks to minimise potential adverse effects on the Bank's financial performance.

Risk Management Structure

The Bank's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices. In addition, the Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their role and obligations.

The Bank's Board of Directors has overall responsibility for the establishment of the Bank's risk management framework. The Board has established committees for managing and monitoring risks.

3. Financial risk management (*continued)*

a) Introduction and overview *(continued)*

Risk Management Structure (*continued)*

The key committees for managing risks are as follows:

Board Audit and Risk Committee

The Board Audit and Risk Committee (BARC) assists the Board in relation to the oversight of the Bank's governance, risk, internal controls and the Bank's financial reporting processes. The BARC reviews the Bank's risk appetite in line with strategy, identifies and monitors risk exposure and the risk management infrastructure, oversees the implementation of strategy to address risk, and assesses the strength and effectiveness of the risk management and internal control framework. Additionally, the BARC monitors the integrity of the financial statements and is responsible for oversight of both the Internal Audit and Enterprise Risk Management functions and reports back to the Board. The BARC reviews the effectiveness of the policies, procedures and systems in place related to, among others, operational risks, compliance, Information Technology (IT) (including cyber-security) and internal security.

Board Investment Committee

The purpose of the Board Investment Committee (BIC) is to assist the Board in fulfilling its responsibilities in the management of the foreign reserves as per Part VI of the ECCB Agreement. The BIC is responsible for submitting recommendations to the Board for approval regarding the following:

(i) Changes to the Foreign Reserve Investment Policy;
(ii) Changes to the Strategic Asset Allocation;
(iii) The retention and termination of asset managers and custodian; and
(iv) Changes to the Terms of Reference for the Reserve Management Committee.

The BIC also receives and considers periodic reports on the following:

(i) Compliance of the external fund managers and the internal fund manager with the Investment Guidelines;
(ii) Performance of the external fund money managers and the internal fund manager; and
(iii) A review of the custodian's performance.

3. Financial risk management *(continued)*

a) Introduction and overview *(continued)*

Risk Management Structure (*continued)*

The Bank has also established internal committees and departments for managing and monitoring risks.

Executive Committee

The Executive Committee of the Bank has the responsibility to ensure that efficient and effective risk management mechanisms are in place. Key to the management of risk within the context of the reserve management function is the reserve management framework, which embodies the Bank’s risk tolerance. Included in this framework are the Bank’s Investment Policy, Strategic Asset Allocation and investment guidelines, which establish the parameters within which the reserve management function is executed. The Board approves the written policies for overall risk management as well as specific policies relating to the reserve management function. Additionally, the provision of banking services is governed by policy decisions of the Board.

Office of Risk Management

The Office of Risk Management (ORM) has responsibility for designing and implementing the Bank's Enterprise Risk and Compliance Management Frameworks, as well as overseeing the development and implementation of the Bank’s Business Continuity Management System (BCMS). ORM also reports on risk matters, including the review of risk and compliance management and the controls environment, to the Executive Committee and the Board Audit and Risk Committee.

Internal Audit Department

The Internal Audit Department is responsible for providing independent assurance that the Bank’s risk management, internal control and governance processes are adequately designed and operating effectively. The Internal Audit Department discusses the results of all assessments with the Executive Committee, and reports its findings and recommendations to the Board Audit and Risk Committee. The Internal Audit Department also monitors the departments’ implementation of audit recommendations and reports progress to the Executive Committee and the BARC.

3. Financial risk management *(continued)*

b) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer, client or counterparty to a financial instrument fail to meet its contractual obligations. The Bank is exposed to credit risk primarily on account of its reserve management activities. These exposures arise mainly through investments in debt securities of international governments, government agencies, supranational agencies and official institutions. The Bank also has exposures through investments in debt securities of participating governments and through lending to governments and commercial banks.

Management of credit risk

The Bank manages and controls credit risk in the foreign reserves at the issuer level by specification of minimum rating levels according to international rating agencies in the Foreign Reserves Investment Policy. Credit risk is also managed via Investment Guidelines, which stipulate issue and issuer concentration limits and by monitoring exposures in relation to such limits. Credit risk is important to the Bank's business; therefore, management carefully manages the Bank's exposure to credit risk. As it relates to lending to Member Governments and commercial banks, credit risk is managed based on strict adherence to exposure limits outlined in the ECCB agreement Act and the ECCB Board approved policy decision on the matter.

The estimation of credit risk of a portfolio of assets entails estimations as to the likelihood of defaults The Bank measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

The Bank manages the credit risk on items exposed to such risk as follows:

Debt investment securities at FVOCI

The Bank manages credit risk by placing limits on its exposure to international governments, government agencies, supranational agencies and official institutions. It places limits on the amount of risk accepted in relation to one borrower and country. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

The investment policy and guidelines approved by the Board of Directors, stipulate the limits on the level of credit risk by borrower, product, industry, sector and country. They also stipulate the minimum required ratings issued by Moody's, Standard & Poor's (S&P) or Fitch for its international investments. The Bank further manages this risk by ensuring that business is only conducted with approved banks and by monitoring those banks' deposit ratings via the aforementioned rating agencies. The activities of the global custodian are also monitored daily and their overall performance is periodically reviewed.

The Bank's debt investment securities at FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected credit losses. Foreign investment securities measured at fair value through other comprehensive income (FVOCI) include listed securities. PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

Debt investment securities at FVOCI *(continued)*

Management considers 'low credit risk' for listed securities to be an investment grade credit rating from Moody's, S&P or Fitch.

Debt investment securities at Amortised Cost

Other debt instruments (including unlisted participating government securities) are considered to be low credit risk as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. PDs and LGDs for non-traded instruments were based on proxy ratings where they existed.

Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management considers as strong and there is no significant concentration. Balances with other central banks, balances with foreign banks, cash and balances with local banks and term deposits are short-term funds and the Bank therefore considers the risk of default to be very low.

Accounts receivable

Exposure to credit risk is managed by regular analysis of the ability of customers and other counter parties to meet repayment obligations.

3. Financial risk management (*continued)*

b) Credit risk (*continued)*

(i) Credit quality of financial assets

The credit quality of financial assets is managed by the Bank through external credit ratings used in ECL calculations. The table below shows internal and external grades used in ECL calculation.

<table>
<tr><th>Moody’s</th><th>S&P</th><th>Fitch</th><th>Grade Description</th></tr>
<tr><td>Aaa</td><td>AAA</td><td>AAA</td><td rowspan="7">Investment Grade</td></tr>
<tr><td>Aa1</td><td>AA+</td><td>AA+</td></tr>
<tr><td>Aa2</td><td>AA</td><td>AA</td></tr>
<tr><td>Aa3</td><td>AA-</td><td>AA-</td></tr>
<tr><td>A1</td><td>A+</td><td>A+</td></tr>
<tr><td>A2</td><td>A</td><td>A</td></tr>
<tr><td>A3</td><td>A-</td><td>A-</td></tr>
<tr><td>Baa1</td><td>BBB+</td><td>BBB+</td><td rowspan="9">Standard Grade</td></tr>
<tr><td>Baa2</td><td>BBB</td><td>BBB</td></tr>
<tr><td>Baa3</td><td>BBB-</td><td>BBB-</td></tr>
<tr><td>Ba1</td><td>BB+</td><td>BB+</td></tr>
<tr><td>Ba2</td><td>BB</td><td>BB</td></tr>
<tr><td>Ba3</td><td>BB-</td><td>BB-</td></tr>
<tr><td>B1</td><td>B+</td><td>B+</td></tr>
<tr><td>B2</td><td>B</td><td>B</td></tr>
<tr><td>B3</td><td>B-</td><td>B-</td></tr>
<tr><td>Caa1</td><td>CCC+</td><td>CCC</td><td rowspan="5">Low Grade</td></tr>
<tr><td>Caa2</td><td>CCC</td><td></td></tr>
<tr><td>Caa3</td><td>CCC-</td><td></td></tr>
<tr><td rowspan="2">Ca</td><td>CC</td><td>CC</td></tr>
<tr><td>C</td><td>C</td></tr>
<tr><td>C</td><td>D</td><td>D</td><td>Default</td></tr>
</table>

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) **Credit quality analysis**

The following tables set out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Explanation of the terms ‘Stage 1’, ‘Stage 2’ and ‘Stage 3’ is included in Note 2(g)(ix).

Foreign Investment Debt Securities at FVOCI

	2025				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased Credit-Impaired**	**Total**
Foreign Investment Securities at FVOCI					
Investment grade	**4,814,390,611**	**-**	**-**	**-**	**4,814,390,611**
Gross carrying amount	**4,814,390,611**	**-**	**-**	**-**	**4,814,390,611**
Loss allowance (recognised in other comprehensive income)	**(326,477)**	**-**	**-**	**-**	**(326,477)**
Carrying amount - fair value	**4,814,390,611**	**-**	**-**	**-**	**4,814,390,611**

	2024				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Foreign Investment Securities at FVOCI					
Investment grade	4,325,491,765	-	-	-	4,325,491,765
Gross carrying amount	4,325,491,765	-	-	-	4,325,491,765
Loss allowance (recognised in other comprehensive income)	(399,806)	-	-	-	(399,806)
Carrying amount - fair value	4,325,491,765	-	-	-	4,325,491,765

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) **Credit quality analysis** *(continued)*

Money Market Instruments at FVOCI

	2025				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Money Market Instruments at FVOCI					
Investment grade	**8,113,067**	**-**	**-**	**-**	**8,113,067**
Gross carrying amount	**8,113,067**	**-**	**-**	**-**	**8,113,067**
Loss allowance (recognised in other comprehensive income)	**(238)**	**-**	**-**	**-**	**(238)**
Carrying amount - fair value	**8,113,067**	**-**	**-**	**-**	**8,113,067**

The Bank held no money market instruments at FVOCI as at 31 March 2024.

Money Market Instruments at Amortised Cost

	2025				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Money Market Instruments at Amortised Cost					
Investment grade	**553,500,104**				**553,500,104**
Unrated	**27,000,000**	**-**	**-**	**-**	**27,000,000**
Gross carrying amount	**580,500,104**	**-**	**-**	**-**	**580,500,104**
Loss allowance	**(7,658)**	**-**	**-**	**-**	**(7,658)**
Carrying amount	**580,492,446**	**-**	**-**	**-**	**580,492,446**

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) Credit quality analysis *(continued)*

Money Market Instruments at Amortised Cost *(continued)*

	2024				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Money Market Instruments at Amortised Cost					
Investment grade	630,727,955	-	-	-	630,727,955
Unrated	98,731,257	-	-	-	98,731,257
Gross carrying amount	729,459,212	-	-	-	729,459,212
Loss allowance	(8,143)	-	-	-	(8,143)
Carrying amount	729,451,069	-	-	-	729,451,069

Participating Governments' Securities at Amortised Cost

	2025				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased Credit-Impaired**	**Total**
Participating Governments' Securities at Amortised Cost					
Standard grade	**210,894,277**	**-**	**-**	**-**	**210,894,277**
Gross carrying amount	**210,894,277**	**-**	**-**	**-**	**210,894,277**
Loss allowance	**(532,350)**	**-**	**-**	**-**	**(532,350)**
Carrying amount	**210,361,927**	**-**	**-**	**-**	**210,361,927**

	2024				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Participating Governments' Securities at Amortised Cost					
Standard grade	213,899,438	-	-	-	213,899,438
Gross carrying amount	213,899,438	-	-	-	213,899,438
Loss allowance	(631,571)	-	-	-	(631,571)
Carrying amount	213,267,867	-	-	-	213,267,867

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) Credit quality analysis *(continued)*

Participating Governments' Advances at Amortised Cost

	2025				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased Credit-Impaired**	**Total**
Participating Governments' Advances at Amortised Cost					
Standard grade	**109,527,223**	**-**	**-**	**-**	**109,527,223**
Gross carrying amount	**109,527,223**	**-**	**-**	**-**	**109,527,223**
Loss allowance	**(44,706)**	**-**	**-**	**-**	**(44,706)**
Carrying amount	**109,482,517**	**-**	**-**	**-**	**109,482,517**

	2024				
	Stage 1	Stage 2	Stage 3	Purchased Credit-Impaired	Total
Participating Governments' Advances at Amortised Cost					
Standard grade	61,997,897	-	-	-	61,997,897
Gross carrying amount	61,997,897	-	-	-	61,997,897
Loss allowance	(51,452)	-	-	-	(51,452)
Carrying amount	61,946,445	-	-	-	61,946,445

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) **Credit quality analysis** *(continued)*

Investment securities and money market instruments and money at call

The table below sets out the credit quality of the Bank's foreign debt securities (note 9) and money market instruments and money at call (note 6) by rating agency designation at 31 March 2025 and 31 March 2024, based on Moody's, S&P or Fitch:

Foreign investment securities

Rated (Moody's, S&P or Fitch) **Foreign debt securities**	**2025** **$**	2024 $
Aaa	**4,670,777,853**	4,099,310,109
Aa1	**27,535,852**	31,540,260
Aa2	**59,317,025**	40,008,985
Aa3	**33,056,891**	111,306,154
AA+	**-**	31,898,414
	4,790,687,621	4,314,063,922

Unrated	**2025** **$**	**2024** **$**
Foreign equity securities at FVOCI	**78,205**	78,205
Domestic equity securities at FVOCI	**624,186**	624,186
	702,391	702,391

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(ii) **Credit quality analysis** *(continued)*

Investment securities and money market instruments and money at call (continued)

Money market instruments and money at call

Rated (Moody's and S&P) **Commercial paper, certificate of deposits, term deposits and money at call**	**2025** **$**	2024 $
Aa1	**54,000,000**	177,342,273
Aa2	**241,651,894**	221,761,007
Aa3	**-**	84,657,592
A1	**159,034,320**	-
AA+	**105,840,000**	90,180,000
A+	**462,386**	55,130,894
	560,988,600	629,071,766

Unrated	**2025** **$**	2024 **$**
Term deposits	**27,000,000**	98,731,257
Total rated and unrated money market instruments And money at call	**587,988,600**	727,803,023

Participating governments advances

Advances are based on Board approved credit allocation limits. Requests for advances by member governments are reviewed to ensure that the amounts are within the approved allocated limits. These approved limits are calculated and assigned to the governments annually.

Due from local banks

Advances are granted to commercial banks in accordance with Part VIII, Article 31(2) and Part IIa, Article 5B of the ECCB Agreement Act 1983. Under Part VIII, Article 31(2), the borrowing bank must pledge collateral with the Central Bank and can only borrow ninety per cent of the collateral amount pledged. As at 31 March 2025 and 2024, the Bank did not grant any advances to commercial banks; hence, there was no collateral pledged with the ECCB.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(iii) **Amounts arising from ECL**

(i) Expected credit loss measurement

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Bank.

- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. Please refer to below for a description of how the Bank determines when a significant increase in credit risk has occurred.

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The key inputs, judgements and assumptions adopted by the Bank in addressing the requirements of the standard are set out below:

a) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank’s historical experience and third party policies including forward-looking information.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(iii) Amounts arising from ECL *(continued)*

(i) Expected credit loss measurement *(continued)*

a) Significant increase in credit risk (continued)

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- external credit ratings;
- qualitative indicators; and
- a backstop of 30 days past due.

Credit risk grades:

The Bank uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. For debt securities, external rating agency credit grades are used. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

Determining whether credit risk has been increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

The Bank continuously monitors foreign and domestic financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition. The Bank applies credit rating grades to determine whether there has been a significant increase in credit risk. Movements within investment grade are not construed as significant increases in credit. The Bank considers that there is a significant increase in credit risk for an investment security when there is a decrease in credit rating as follows: a three-notch downgrade from investment grade to standard grade; a two-notch downgrade within or outside the standard grade; or a one-notch downgrade within or outside the low grade bucket, as set out in Note 3(b)(i).

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(iii) Amounts arising from ECL *(continued)*

(i) Expected credit loss measurement *(continued)*

a) Significant increase in credit risk (continued)

Determining whether credit risk has been increased significantly (continued)

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up to-date payment performance against the modified contractual terms.

In assessing whether a borrower is in default, the Bank considers indicators that are:
- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

b) Incorporation of forward-looking information

The Bank incorporates forward-looking information into the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in the measurement of expected credit losses (ECL). The Bank has performed analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The Bank applied judgment to select macroeconomic factors that would most likely impact credit risk. Forecasts of these macroeconomic variables are provided through the Bank's ECL solution on a frequent basis and provides the best and worst view of economic conditions based on the expected impact of macro-economic factors, including but are not limited to the following:

- Gross domestic product (GDP) per capita;
- GDP growth rate;
- Interest rates;
- Unemployment rates;
- Inflation.

PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 expected credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are closely correlated with credit losses in the relevant portfolios.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

(iii) Amounts arising from ECL *(continued)*

(i) Expected credit loss measurement *(continued)*

b) Incorporation of forward-looking information (continued)

The Bank formulates three macroeconomic scenarios: a base case, which is the median scenario, one upside scenario and one downside scenario. The base case scenario captures our view of the most likely economic future outcome and is assigned the highest weighting. The upside and downside scenarios are set relative to the base scenario based on reasonably possible alternative macroeconomic conditions. Scenarios are probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes. After the ECL calculation has been generated for each scenario, a probability weight is applied to each scenario based on the likelihood of occurrence to arrive at a final probability-weighted ECL.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. Incorporating forward-looking information increases the degree of judgement required as to how changes in these macroeconomic factors will affect ECLs. Hence, the methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

c) Computation of the expected credit losses

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by LGD and EAD.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

LGD is the magnitude of the likely loss if there is a default. LGD’s are determined based on the factors which impact the recoveries made post default. Theses vary by product type. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

3. **Financial risk management** *(continued)*

b) Credit risk *(continued)*

(iii) Amounts arising from ECL *(continued)*

(i) Expected credit loss measurement *(continued)*

c) Computation of the expected credit losses (continued)

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. EAD is computed as the sum of the amortised amount and accrued interest to reflect contractual cash flows.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Sensitivity of ECL to changes in future economic conditions as at 31 March 2025

As described above, the Bank measures expected credit losses (ECL) in accordance with IFRS 9 using a probability-weighted model that incorporates forward-looking macroeconomic scenarios. These scenarios include a base case, an upside (optimistic) scenario, and a downside (adverse) scenario, each reflecting a range of outcomes for key macroeconomic indicators such as GDP growth, inflation, and unemployment rates.

The Bank has performed a quantitative sensitivity analysis to evaluate how ECL on the portfolios will change if the key assumptions used to calculate ECL change. To assess the sensitivity of the ECL allowance to changes in macroeconomic assumptions, the Bank conducted scenario-based analysis using alternative weightings. The results of the sensitivity analysis are as follows:

- Under more adverse economic conditions, the ECL allowance would increase by $567,960 to $1,479,389, relative to the reported allowance;

- Under more favourable economic conditions, the ECL allowance would decrease by $218,464 to $692,965, compared to the reported allowance.

3. **Financial risk management** *(continued)*

b) **Credit risk** *(continued)*

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposure relating to on-balance sheet financial assets is as follows:

	As of 31 March	
	2025	**2024**
Assets	**$**	**$**
Foreign assets		
Balances with other central banks	**13,389,423**	1,179,342
Balances with foreign banks	**100,602**	44,863
Money market instruments and money at call	**588,605,513**	729,451,069
Derivative financial instruments	**2,762**	60,608
Foreign investment securities	**4,814,468,816**	4,325,569,970
	5,416,567,116	5,056,305,852
Domestic assets		
Cash and balances with local banks	**4,615,179**	1,074,234
Participating governments' securities	**210,361,927**	213,267,867
Participating governments' advances	**109,482,517**	61,946,545
Accounts receivable	**2,295,627**	2,680,829
Domestic investment securities	**624,186**	624,186
	327,379,436	279,593,661
Total on-balance sheet credit risk	**5,743,946,552**	5,335,899,513

The above table represents a worst-case scenario of credit risk exposure as at 31 March 2025 and 2024 without taking account of any collateral held or other credit enhancements attached.

For statement of financial position assets, the exposures set out in the above table are net of loss allowance as reported in the statement of financial position.

As depicted in the table above, 83.82% (2024 – 81.07%) of the total on-balance sheet exposure is derived from foreign investment securities and 10.25% (2024 – 13.67%) represents money market instruments and money at call.

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

The following tables break down the Bank's main credit exposure at the carrying amounts, as categorised by geographical regions as of 31 March 2025 and 31 March 2024. In these tables, the Bank has allocated exposure to regions based on the country of domicile of the counterparties.

Geographical concentration of financial assets

	Eastern Caribbean Currency Union $	United States of America and Canada $	Europe and other territories $	Regional states $	Total $
As of 31 March 2025					
Balances with other central banks	-	905,521	249,983	12,233,919	13,389,423
Balances with foreign banks	-	100,602	-	-	100,602
Money market instruments and money at call	-	297,151,806	291,453,707	-	588,605,513
Derivative financial instruments	-	2,762	-	-	2,762
Foreign investment securities	-	4,247,598,421	566,870,395	-	4,814,468,816
Cash and balances with local banks	4,615,179	-	-	-	4,615,179
Participating governments' securities	210,361,927	-	-	-	210,361,927
Participating governments' advances	109,482,517	-	-	-	109,482,517
Accounts receivable	2,295,627	-	-	-	2,295,627
Domestic investment securities	202,500	-	-	421,686	624,186
	326,957,750	**4,545,759,112**	**858,574,085**	**12,655,605**	**5,743,946,552**

3. Financial risk management *(continued)*

b) Credit risk *(continued)*

Geographical concentration of financial assets *(continued)*

	Eastern Caribbean Currency Union $	United States of America and Canada $	Europe and other territories $	Regional states $	Total $
As of 31 March 2024					
Balances with other central banks	-	821,277	217,765	140,300	1,179,342
Balances with foreign banks	-	44,863	-	-	44,863
Money market instruments and money at call	-	435,915,597	293,535,472	-	729,451,069
Derivative financial instruments	-	60,608	-	-	60,608
Foreign investment securities	-	3,926,597,910	398,972,060	-	4,325,569,970
Cash and balances with local banks	1,074,234	-	-	-	1,074,234
Participating governments' securities	213,267,867	-	-	-	213,267,867
Participating governments' advances	61,946,545	-	-	-	61,946,545
Accounts receivable	2,680,829	-	-	-	2,680,829
Domestic investment securities	202,500	-	-	421,686	624,186
	279,171,975	**4,363,440,255**	**692,725,297**	**561,986**	**5,335,899,513**

3. Financial risk management *(continued)*

c) Market risk

The Bank is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Bank's reserve management mandate permits investment in a number of instruments. The Bank is exposed to general and specific market movements and volatility of market rates and prices such as interest rates, credit spreads and foreign exchange rates. The Bank enters into currency forward contracts to manage its exposure to fluctuations in foreign exchange rates for non-USD securities. The Bank also has a structured management process, which entails the following:

- Careful monitoring of the international market and taking positions to achieve objectives;
- Regular reporting to internal management committees and to the Board of Directors.

i) Interest rate risk

The Bank invests in securities and money market instruments and maintains demand deposit accounts as a part of its normal course of business. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is the risk of loss arising from changes in prevailing interest rates. The Bank manages this risk by monitoring interest rates daily, and seeks to minimize the exposure by devising a comprehensive risk assessment and tolerance strategy known as "Customised benchmarking". The effect of this tool is to reflect the risk tolerance level of the Bank and to measure the performance of portfolio managers. The table below provides the weighted average effective interest rates for each class of financial asset and financial liability:

	2025	2024
	%	%
Foreign Assets		
Money market instruments and money at call	**4.39**	5.03
Foreign investment securities	**2.04**	2.02
Domestic Assets		
Balances with local banks	**2.00**	2.00
Participating governments' securities	**4.45**	4.35
Participating governments' advances	**3.00**	3.00
Liabilities		
Fixed deposits, call and operating accounts	**2.30**	1.43

3. Financial risk management *(continued)*

c) Market risk *(continued)*

i) Interest rate risk (continued)

The Bank's investments in foreign securities, money market instruments and money at call for which rates vary with market movements, exposed the Bank to cash flow and fair value interest rate risk.

The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments, categorised by the earlier of contractual repricing or maturity dates.

As of 31 March 2025	Up to 1 month $	1 to 3 months $	3 months to 1 year $	1 to 5 year $	Over 5 years $	Non-Interest bearing $	Total $
Financial assets							
Regional and foreign currencies	-	-	-	-	-	69,274,294	69,274,294
Balances with other central banks	-	-	-	-	-	13,389,423	13,389,423
Balances with foreign banks	-	-	-	-	-	100,602	100,602
Money market instruments and money at call	588,143,127	-	-	-	-	462,386	588,605,513
Derivative financial instruments	-	-	-	-	-	2,762	2,762
Foreign investment securities	477,811,404	1,138,999,318	3,086,167,643	111,412,246	-	78,205	4,814,468,816
Cash and balances with local banks	4,615,179	-	-	-	-	-	4,615,179
Participating governments' securities	3,424,349	6,653,971	25,594,820	94,685,463	80,003,324	-	210,361,927
Participating governments' advances	69,841,313	7,792,936	31,848,268	-	-	-	109,482,517
Accounts receivable	3,377	6,837	8,111	-	-	2,277,302	2,295,627
Domestic investment securities	-	-	-	-	-	624,186	624,186
	1,143,838,749	**1,153,453,062**	**3,143,618,842**	**206,097,709**	**80,003,324**	**86,209,160**	**5,813,220,846**

3. Financial risk management *(continued)*

c) Market risk *(continued)*

i) Interest rate risk (continued)

As of 31 March 2025	Up to 1 month $	1 to 3 months $	3 months to 1 year $	1 to 5 years $	Over 5 years $	Non-Interest bearing $	Total $
Financial liabilities							
Demand and deposit liabilities - domestic	207,700,757	112,366,924	-	-	-	5,249,856,715	5,569,924,396
Lease liabilities	78,574	136,581	555,693	1,860,441	918,552	-	3,549,841
Demand and deposit liabilities - foreign	-	-	-	-	-	81,613,821	81,613,821
Derivative financial instruments	-	-	-	-	-	60,618	60,618
IMF Government general resource accounts	-	-	-	-	-	1,153,537	1,153,537
	207,779,331	**112,503,505**	**555,693**	**1,860,441**	**918,552**	**5,332,684,691**	**5,656,302,213**
Total interest sensitivity gap	**936,059,418**	**1,040,949,557**	**3,143,063,149**	**204,237,268**	**79,084,772**	**(5,246,475,531)**	**156,918,633**
Cumulative gap	**936,059,418**	**1,977,008,975**	**5,120,072,124**	**5,324,309,392**	**5,403,394,164**	**156,918,633**	**-**

3. Financial risk management *(continued)*

c) Market risk *(continued)*

i) Interest rate risk (continued)

As of 31 March 2024	Up to 1 month $	1 to 3 months $	3 months to 1 year $	1 to 5 years $	Over 5 years $	Non-Interest bearing $	Total $
Financial assets							
Regional and foreign currencies	-	-	-	-	-	166,233,126	166,233,126
Balances with other central banks	-	-	-	-	-	1,179,342	1,179,342
Balances with foreign banks	-	-	-	-	-	44,863	44,863
Money market instruments and money at call	674,320,176	-	-	-	-	55,130,893	729,451,069
Derivative financial instruments	-	-	-	-	-	60,608	60,608
Foreign investment securities	729,649,749	1,278,315,563	1,345,748,823	971,777,630	-	78,205	4,325,569,970
Cash and balances with local banks	1,074,234	-	-	-	-	-	1,074,234
Participating governments' securities	1,932,808	6,265,196	23,659,469	88,343,800	93,066,594	-	213,267,867
Participating governments' advances	8,501,723	22,128,395	31,316,427	-	-	-	61,946,545
Accounts receivable	4,707	9,756	43,903	18,579	-	2,603,884	2,680,829
Domestic investment securities	-	-	-	-	-	624,186	624,186
	1,415,483,397	**1,306,718,910**	**1,400,768,622**	**1,060,140,009**	**93,066,594**	**225,955,107**	**5,502,132,639**

3. Financial risk management *(continued)*

c) Market risk *(continued)*

i) Interest rate risk (continued)

As of 31 March 2024	**Up to 1 month $**	**1 to 3 months $**	**3 months to 1 year $**	**1 to 5 years $**	**Over 5 years $**	**Non-Interest bearing $**	**Total $**
Financial liabilities							
Demand and deposit liabilities - domestic	129,319,035	79,303,657	-	-	-	5,177,267,570	5,385,890,262
Lease liabilities	78,546	158,173	660,176	1,753,845	70,359	-	2,721,099
Demand and deposit liabilities - foreign	-	-	-	-	-	77,771,381	77,771,381
Derivative financial instruments	-	-	-	-	-	25,297	25,297
IMF Government general resource accounts	-	-	-	-	-	1,178,996	1,178,996
	129,397,581	**79,461,830**	**660,176**	**1,753,845**	**70,359**	**5,256,243,244**	**5,467,587,035**
Total interest sensitivity gap	**1,286,085,816**	**1,227,257,080**	**1,400,108,446**	**1,058,386,164**	**92,996,235**	**(5,030,288,137)**	**34,545,604**
Cumulative gap	**1,286,085,816**	**2,513,342,896**	**3,913,451,342**	**4,971,837,506**	**5,064,833,741**	**34,545,604**	**-**

3. Financial risk management *(continued)*

c) Market risk *(continued)*

i) Interest rate risk (continued)

Sensitivity to interest rate movements

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and other components of equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on the variable rate non-trading financial assets and financial liabilities. The sensitivity of other comprehensive income is calculated by revaluing fixed rate FVOCI financial assets for the effects of the assumed changes in interest rates.

	2025	
	Impact on profit	**Impact on other components of equity**
	$	$
Interest rates - increase by 100 basis points	4,975,470	(23,954,329)
Interest rates - decrease by 50 basis points	(2,487,735)	11,977,165

	2024	
	Impact on profit	**Impact on other components of equity**
	$	$
Interest rates - increase by 100 basis points	7,121,242	(23,295,945)
Interest rates - decrease by 50 basis points	(3,560,621)	11,647,973

3. Financial risk management *(continued)*

c) Market risk *(continued)*

ii) Currency risk

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Bank is exposed to foreign currency risk due to fluctuations in the prevailing foreign currency exchange rates on transactions and balances denominated in currencies other than the USD. Management seeks to manage this risk by setting limits on the level of exposure by currency, which are monitored daily.

Foreign investment securities

The Bank's investment guidelines require that all non-US dollar securities be hedged back to the US dollar. As of 31 March 2025, the non-US securities in the foreign securities portfolio was nil (2024: nil). The investment managers have entered into forward contracts to sell the non-USD positions forward on a periodic rolling basis. All gains and losses arising from currency revaluation of these assets and the forward contracts are reported in the statement of profit or loss as they occur.

Regional and foreign currencies

The Bank facilitates the repatriation of foreign currency notes collected by member banks during their normal course of operations. The notes are purchased from the commercial banks and shipped to Bank of America on a monthly basis. To manage the foreign currency risk of holding these notes, the Bank forward sells these notes on the same day of purchase for value on the date that the counterparty receives them.

Sensitivity to foreign exchange rate movements

The Bank's exposure to foreign exchange risk is limited to the minimum balances held on non-USD demand accounts and investment in non-USD foreign securities. A 5 per cent (2024: 5 per cent) change in exchange rates would have increase or decrease profit or loss and equity by $599,036 (2024: $2,090,891). This analysis assumes that all other variables, in particular, interest rates, remain constant.

3. Financial risk management *(continued)*

c) Market risk *(continued)*

ii) Currency risk *(continued)*

The table below analyses assets and liabilities of the Bank into the respective currency positions as of 31 March 2025:

	Eastern Caribbean Dollar $	United States Dollar $	British Pound $	Euro $	Other $	Total $
Financial assets						
Regional and foreign currencies	-	57,568,591	2,208,698	7,305,099	2,191,906	69,274,294
Balances with other central banks	-	13,056,551	249,983	-	82,889	13,389,423
Balances with foreign banks	-	100,602	-	-	-	100,602
Money market instruments and money at call	-	588,605,513	-	-	-	588,605,513
Derivative financial instruments	-	-	-	2,762	-	2,762
Foreign investment securities	-	4,814,468,816	-	-	-	4,814,468,816
Cash and balances with local banks	4,615,179	-	-	-	-	4,615,179
Participating governments' securities	210,361,927	-	-	-	-	210,361,927
Participating governments' advances	109,482,517	-	-	-	-	109,482,517
Accounts receivable	2,295,627	-	-	-	-	2,295,627
Domestic investment securities	624,186	-	-	-	-	624,186
	327,379,436	**5,473,800,073**	**2,458,681**	**7,307,861**	**2,274,795**	**5,813,220,846**
Financial liabilities						
Demand and deposit liabilities – domestic	5,569,924,396	-	-	-	-	5,569,924,396
Lease liabilities	3,549,841	-	-	-	-	3,549,841
Demand and deposit liabilities – foreign	81,425,913	187,908	-	-	-	81,613,821
Derivative financial instruments	-	-	13,506	38,452	8,660	60,618
IMF government general resource accounts	1,153,537	-	-	-	-	1,153,537
	5,656,053,687	**187,908**	**13,506**	**38,452**	**8,660**	**5,656,302,213**
Net assets (liabilities)	**(5,328,674,251)**	**5,473,612,165**	**2,445,175**	**7,269,409**	**2,266,135**	**156,918,633**

3. Financial risk management *(continued)*

c) Market risk *(continued)*

ii) Currency risk *(continued)*

The table below analyses assets and liabilities of the Bank into the respective currency positions as of 31 March 2024:

	Eastern Caribbean Dollar $	United States Dollar $	British Pound $	Euro $	Other $	Total $
Financial assets						
Regional and foreign currencies	-	124,768,080	4,262,916	11,663,893	25,538,237	166,233,126
Balances with other central banks	-	861,873	217,765	-	99,704	1,179,342
Balances with foreign banks	-	44,863	-	-	-	44,863
Money market instruments and money at call	-	729,451,069	-	-	-	729,451,069
Derivative financial instruments	-	-	13,991	46,079	538	60,608
Foreign investment securities	-	4,325,569,970	-	-	-	4,325,569,970
Cash and balances with local banks	1,074,234	-	-	-	-	1,074,234
Participating governments' securities	213,267,867	-	-	-	-	213,267,867
Participating governments' advances	61,946,545	-	-	-	-	61,946,545
Accounts receivable	2,680,829	-	-	-	-	2,680,829
Domestic investment securities	624,186	-	-	-	-	624,186
	279,593,661	**5,180,695,855**	**4,494,672**	**11,709,972**	**25,638,479**	**5,502,132,639**
Financial liabilities						
Demand and deposit liabilities – domestic	5,385,890,262	-	-	-	-	5,385,890,262
Lease liabilities	2,721,099	-	-	-	-	2,721,099
Demand and deposit liabilities – foreign	77,738,825	32,556	-	-	-	77,771,381
Derivative financial instruments	-	-	6,675	5,298	13,324	25,297
IMF government general resource accounts	1,178,996	-	-	-	-	1,178,996
	5,467,529,182	**32,556**	**6,675**	**5,298**	**13,324**	**5,467,587,035**
Net assets (liabilities)	**(5,187,935,521)**	**5,180,663,299**	**4,487,997**	**11,704,674**	**25,625,155**	**34,545,604**

3. Financial risk management *(continued)*

d) Liquidity risk

Liquidity risk is the risk that the Bank is unable to provide adequate liquidity support for the financial system to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. It also refers to the risk of financial loss associated with the conversion of assets to cash to meet financial obligations. This would result in the Bank's failure to maintain monetary and financial stability. The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts and maturing deposits. Liquidity is a key criterion in determining the composition of the Bank's foreign reserves portfolio. The liquidity tranche is closely monitored in accordance with a cash flow management policy. Additionally, there is consistent monitoring and checking for compliance with approved portfolio diversification, asset allocation and asset quality.

The liquidity management process forms part of the Bank's wider mandate for reserve management and is carried out in accordance with approved guidelines by the Reserve Management Committee and monitored by management. The liquidity tranche is comprised of highly marketable assets that can easily be liquidated to meet unexpected demands. The process entails the following:

- Daily monitoring of balances on the Bank's call accounts to ensure that adequate funds are available to meet current and future requirements.
- Projections of cash inflows and outflows based on historical trends.
- Laddering of money market instruments in the liquidity tranche to ensure that adequate funds are available to meet current liquidity needs.
- Assets held to manage liquidity risk include balances with other central banks, balances with foreign banks, money market instruments and money at call, derivative financial instruments, foreign investment securities and cash and balances with local banks. At the reporting date, the Bank held $5,421,182,295 (2024: $5,057,380,086) of these instruments that are expected to readily generate cash inflows.

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

The table below analyses assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

3. Financial risk management *(continued)*

d) Liquidity risk *(continued)*

Maturities of liabilities and assets, 31 March 2025	**Up to 1 month $**	**1 to 3 months $**	**3 months to 1 year $**	**1 to 5 years $**	**Over 5 years $**	**Total $**
Financial Liabilities						
Demand and deposit liabilities – domestic	5,457,557,472	112,366,924	-	-	-	5,569,924,396
Lease liabilities	78,574	136,581	555,693	1,860,441	918,552	3,549,841
Demand and deposit liabilities – foreign	81,613,821	-	-	-	-	81,613,821
Derivative financial instruments	60,618	-	-	-	-	60,618
IMF government general resource accounts	1,153,537	-	-	-	-	1,153,537
	5,540,464,022	**112,503,505**	**555,693**	**1,860,441**	**918,552**	**5,656,302,213**
Financial Assets						
Regional and foreign currencies	69,274,294	-	-	-	-	69,274,294
Balances with other central banks	13,389,423	-	-	-	-	13,389,423
Balances with foreign banks	100,602	-	-	-	-	100,602
Money market instruments and money at call	588,605,513	-	-	-	-	588,605,513
Derivative financial instruments	2,762	-	-	-	-	2,762
Foreign investment securities	477,811,404	1,138,999,318	3,086,167,643	111,412,246	78,205	4,814,468,816
Cash and balances with local banks	4,615,179	-	-	-	-	4,615,179
Participating governments' securities	3,424,349	6,653,971	25,594,820	94,685,463	80,003,324	210,361,927
Participating governments' advances	69,841,313	7,792,936	31,848,268	-	-	109,482,517
Accounts receivable	2,197,357	6,837	41,888	49,545	-	2,295,627
Domestic investment securities	-	-	-	-	624,186	624,186
	1,229,262,196	**1,153,453,062**	**3,143,652,619**	**206,147,254**	**80,705,715**	**5,813,220,846**
Net assets/(liabilities)	**(4,311,201,826)**	**1,040,949,557**	**3,143,096,926**	**204,286,813**	**79,787,163**	**156,918,633**

3. Financial risk management *(continued)*

d) Liquidity risk *(continued)*

Maturities of liabilities and assets, 31 March 2024	**Up to 1 month $**	**1 to 3 months $**	**3 months to 1 year $**	**1 to 5 years $**	**Over 5 years $**	**Total $**
Financial Liabilities						
Demand and deposit liabilities – domestic	5,306,586,605	79,303,657	-	-	-	5,385,890,262
Lease liabilities	78,546	158,173	660,176	1,753,844	70,360	2,721,099
Demand and deposit liabilities – foreign	77,771,381	-	-	-	-	77,771,381
Derivative financial instruments	25,297	-	-	-	-	25,297
IMF government general resource accounts	1,178,996	-	-	-	-	1,178,996
	5,385,640,825	**79,461,830**	**660,176**	**1,753,844**	**70,360**	**5,467,587,035**
Financial Assets						
Regional and foreign currencies	166,233,126	-	-	-	-	166,233,126
Balances with other central banks	1,179,342	-	-	-	-	1,179,342
Balances with foreign banks	44,863	-	-	-	-	44,863
Money market instruments and money at call	729,451,069	-	-	-	-	729,451,069
Derivative financial instruments	60,608	-	-	-	-	60,608
Foreign investment securities	729,649,749	1,278,315,563	1,345,748,823	971,777,630	78,205	4,325,569,970
Cash and balances with local banks	1,074,234	-	-	-	-	1,074,234
Participating governments' securities	1,932,808	6,265,196	23,659,469	88,343,800	93,066,594	213,267,867
Participating governments' advances	8,501,723	22,128,395	31,316,427	-	-	61,946,545
Accounts receivable	2,538,531	13,938	48,696	79,664	-	2,680,829
Domestic investment securities	-	-	-	-	624,186	624,186
	1,640,666,053	**1,306,723,092**	**1,400,773,415**	**1,060,201,094**	**93,768,985**	**5,502,132,639**
Net assets/(liabilities)	**(3,744,974,772)**	**1,227,261,262**	**1,400,113,239**	**1,058,447,250**	**93,698,625**	**34,545,604**

3. Financial risk management *(continued)*

d) Liquidity risk *(continued)*

Derivative cash flows

The following table shows the derivative financial instruments (forward contracts) that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

At 31 March 2025

Derivatives (Currency forwards)

	0-3 Months $	3-6 Months $	Total $
Foreign exchange derivatives			
- Outflow	(8,531,800)	-	(8,531,800)
- Inflow	2,264,139	-	2,264,139

At 31 March 2024

Derivatives (Currency forwards)

	0-3 Months $	3-6 Months $	Total $
Foreign exchange derivatives			
- Outflow	(8,380,417)	-	(8,380,417)
- Inflow	10,447,765	-	10,447,765

3. Financial risk management *(continued)*

e) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The fair value of a liability must take account of non-performance risk, including the entity's own credit risk.

Determination of fair value

The following methods and assumptions have been used to estimate the fair value of each class of financial instrument for which it is practical to estimate a value:

- Short-term financial assets and liabilities: The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of regional and foreign currencies, balances with other central banks, balances with foreign banks, money market instruments and money at call, treasury bills, balances with local banks, due from participating governments, interest receivable, and accounts receivable. Short-term financial liabilities are comprised of demand and deposit liabilities – domestic and foreign, interest payable and certain other liabilities.

- Long-term financial instruments: The estimated fair value of long-term loans and receivables is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining terms to maturity. Some of the financial assets included in participating governments' securities and accounts receivable are long term.

3. Financial risk management *(continued)*

e) Fair value *(continued)*

(i) Financial instruments not measured at fair value

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented in the Bank's statement of financial position at their fair value:

	Carrying value		Fair value	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Financial assets				
Balances with other central banks	**13,389,423**	1,179,342	**13,389,423**	1,179,342
Balances with foreign banks	**100,602**	44,863	**100,602**	44,863
Money market instruments and money at call	**588,605,513**	729,451,069	**588,605,513**	729,451,069
Cash and balances with local banks	**4,615,179**	1,074,234	**4,615,179**	1,074,234
Participating governments' securities	**210,361,927**	213,267,867	**190,528,500**	213,267,867
Participating governments' advances	**109,482,517**	61,946,545	**109,482,517**	61,946,545
Account receivable	**2,295,627**	2,680,829	**2,295,627**	2,680,829
	928,850,788	1,009,644,749	**909,017,361**	1,009,644,749
Financial liabilities				
Demand and deposit liabilities – domestic	**5,569,924,396**	5,385,890,262	**5,569,924,396**	5,385,890,262
Lease liabilities	**3,549,841**	2,721,099	**3,549,841**	2,721,099
Demand and deposit liabilities – foreign	**81,613,821**	77,771,381	**81,613,821**	77,771,381
IMF government general resource accounts	**1,153,537**	1,178,996	**1,153,537**	1,178,996
	5,656,241,595	5,467,561,738	**5,656,241,595**	5,467,561,738

3. Financial risk management *(continued)*

e) Fair value *(continued)*

(i) Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

31 March 2025

	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
	$	$	$	$	$
Financial assets					
Balances with other central banks	-	13,389,423	-	13,389,423	13,389,423
Balances with foreign banks	-	100,602	-	100,602	100,602
Money market instruments and money at call	-	588,605,513	-	588,605,513	588,605,513
Cash and balances with local banks	-	4,615,179	-	4,615,179	4,615,179
Participating governments' securities	-	-	190,528,500	190,528,500	210,361,927
Participating governments' advances	-	-	109,482,517	109,482,517	109,482,517
Accounts receivable	-	-	2,295,627	2,295,627	2,295,627
Financial liabilities					
Demand and deposit liabilities – domestic	-	5,569,924,396	-	5,569,924,396	5,569,924,396
Lease liabilities	-	3,549,841	-	3,549,841	3,549,841
Demand and deposit liabilities – foreign	-	81,613,821	-	81,613,821	81,613,821
IMF government general resource accounts	-	1,153,537	-	1,153,537	1,153,537

3. Financial risk management *(continued)*

e) Fair value *(continued*

(i) Financial instruments not measured at fair value (continued)

31 March 2024

	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
	$	$	$	$	$
Financial assets					
Balances with other central banks	-	1,179,342	-	1,179,342	1,179,342
Balances with foreign banks	-	44,863	-	44,863	44,863
Money market instruments and money at call	-	729,451,069	-	729,451,069	729,451,069
Cash and balances with local banks	-	1,074,234	-	1,074,234	1,074,234
Participating governments' securities	-	-	213,267,867	213,267,867	213,267,867
Participating governments' advances	-	-	61,946,545	61,946,545	61,946,545
Accounts receivable	-	-	2,680,829	2,680,829	2,680,829
Financial liabilities					
Demand and deposit liabilities – domestic	-	5,385,890,262	-	5,385,890,262	5,385,890,262
Lease liabilities	-	2,721,099	-	2,721,099	2,721,099
Demand and deposit liabilities – foreign	-	77,771,381	-	77,771,381	77,771,381
IMF government general resource accounts	-	1,178,996	-	1,178,996	1,178,996

3. Financial risk management *(continued)*

e) Fair value *(continued)*

Fair value hierarchy

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

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

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

The following table presents the Bank's financial assets and liabilities that are measured at fair value at 31 March 2025:

	Level 1 $	Level 2 $	Level 3 $
Financial assets			
Commercial Paper	-	8,113,067	-
Derivative financial instruments	-	2,762	-
Foreign investment securities	4,096,085,057	718,305,554	78,205
Domestic investment securities	-	-	624,186
	4,096,085,057	**726,421,383**	**702,391**

	Level 1 $	Level 2 $	Level 3 $
Financial liabilities			
Derivative financial instruments	-	60,618	-

3. Financial risk management *(continued)*

e) Fair value *(continued)*

Fair value hierarchy *(continued)*

The following table presents the Bank's financial assets and liabilities that are measured at fair value at 31 March 2024:

	Level 1 $	Level 2 $	Level 3 $
Financial assets			
Derivative financial instruments	-	60,608	-
Foreign investment securities	3,874,774,533	450,717,232	78,205
Domestic investment securities	-	-	624,186
	3,874,774,533	**450,777,840**	**702,391**

	Level 1 $	Level 2 $	Level 3 $
Financial liabilities			
Derivative financial instruments	-	25,297	-

There has been no transfer in/out from level 3.

f) Capital risk management

The Bank's objectives when managing capital are:

- Safeguard the Bank's ability to continue as a going concern;
- Manage and safeguard the value of the Eastern Caribbean currency; and
- Maintain a strong capital base to support its developmental activities.

The Bank manages capital through the maintenance of a general reserve according to prescribed guidelines as mandated in the ECCB Agreement Act 1983.

General reserve

As of 31 March 2025, an amount of $68,339,622 (2024: $79,405,071) was allocated from net profit to general reserve to bring the general reserve ratio to the 5% target in accordance with the ECCB Agreement Act 1983. As of 31 March 2024, the general reserve ratio stood at 3.92%, which was 1.08% below the 5% target. As at 31 March 2025, the general reserve amounted to $282,634,588 (2024: $214,294,966).

3. Financial risk management *(continued)*

f) Capital risk management *(continued)*

Foreign reserve assets

Under Article 24 (2) of the Eastern Caribbean Central Bank Agreement Act 1983, the Bank is required to maintain a reserve of external assets not less than 60% of its notes and coins in circulation, and other demand liabilities. The percentage of foreign reserve assets to demand liabilities at 31 March 2025 was 97.01% (2024: 95.54%).

g) Operational risk

Operational risk is the risk of direct or indirect loss in both financial and non-financial terms arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure. It may also arise from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all departments. Managing operational risk in the Bank is seen as an integral part of day-to-day operations and management, which includes explicit consideration of both the opportunities and the risks of all business activities. The Bank's objective is to manage operational risk so as to balance an avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the management team of each department. This responsibility is supported by bank-wide corporate policies which describe the standard of conduct required of staff and specific internal control systems designed around the particular characteristics of various Bank activities.

Compliance with corporate policies and departmental control systems are managed by:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of the controls and procedures to assess the risks identified;
- Development and periodic testing of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where it is effective;
- Weekly reporting to the senior management;
- Quarterly management affirmation by each department's Risk Liaison Officer that corporate policies and departmental internal control systems have been complied with; and
- A structured induction program for new employees.

3. Financial risk management *(continued)*

g) Operational risk *(continued)*

Compliance with the Bank's Standards is supported by a programme of periodic reviews undertaken by the Internal Audit Department. The results of the reviews are discussed with the management of the department to which they relate and summaries are submitted to the Board Audit and Risk Committee and Executive Committee of the Bank.

h) Strategic risk

The ECCB's Strategic Plan 2022-2026 guides the Bank's operation. The Strategic Plan 2022-2026 hinges on five (5) strategic themes, which reflect the purpose of the Bank, namely:

a. Financial stability;
b. Payment systems improvement and financial inclusion;
c. Digital transformation;
d. Organizational effectiveness and development; and
e. Environmental, social and corporate governance.

The effective delivery of the strategic initiatives as contained in the plan is heavily dependent on the supporting policies and operations, which have attendant risks. These risks may be influenced by a wide range of internal and external factors, including an inappropriate use of resources or a fundamental change in the circumstances on which the assumptions were predicated. The Bank has therefore identified specific monitoring frameworks and reporting lines to minimize any negative impact of a perceived or actual failure to deliver on its strategic objectives.

4. Critical accounting estimates and judgements in applying accounting policies

The Bank's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which have to be made in the course of preparation of the financial statements. All estimates and assumptions required are in conformity with IFRS Accounting Standards and are best estimates undertaken in accordance with the applicable standard.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management also exercises judgement in applying the Bank's accounting policies. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated pension obligation

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the pension asset.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Bank determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations.

The Bank considers the interest rates of high-quality instruments, normally long-term government bonds that are denominated in Eastern Caribbean currency which is the currency in which the benefits will be paid and that have terms of maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based on current market conditions. Refer to Note 22 for further details.

Impairment of financial assets

The measurement of expected credit loss (ECL) allowance for financial assets measured at amortised cost and FVOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. In determining ECL, management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in note 2 (g) (ix).

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

- The Bank's criteria for determining if there has been a significant increase in credit risk with qualitative factors integrating the wider macroeconomic environment;
- Selecting appropriate models and assumptions for the measurement of ECL;

4. Critical accounting estimates and judgements in applying accounting policies *(continued)*

Impairment of financial assets *(continued)*

- Establishing the number and relative weightings of forward-looking macroeconomic scenarios for each type of product or market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GDP growth, unemployment rates and inflation, and the effect on PDs, EADs and LGDs.

Revaluation of land and buildings

The Bank measures its land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Bank utilises independent valuation specialists to determine fair value of its land and buildings. The valuation specialist uses judgment in the application of valuation techniques. Valuations are determined through the application of different valuation methods, which are all sensitive to the underlying assumptions chosen.

5. Balances with other central banks and foreign banks

	2025 $	2024 $
Balances with other central banks		
Balances with Regional central banks	**12,233,919**	140,300
Balances with North American central banks	**905,521**	821,277
Balances with European central banks	**249,983**	217,765
Total balances with other central banks	**13,389,423**	1,179,342
Balances with foreign banks		
Current accounts denominated in United States dollars	**100,602**	44,863
Current	**13,490,025**	1,224,205

These balances are non-interest bearing.

6. Money market instruments and money at call

By currency	2025 $	2024 $
Balances denominated in United States dollars	**587,988,600**	727,803,023
Interest receivable	**624,571**	1,656,189
Total money market instruments and money at call	**588,613,171**	729,459,212
Less: allowance for impairment	**(7,658)**	(8,143)
Total money market instruments and money at call, net	**588,605,513**	729,451,069

By financial instrument type

Money market instruments with original maturities of 90 days or less:

	2025 $	2024 $
Term deposits	**473,585,670**	582,492,129
Money at call	**106,302,386**	145,310,894
Commercial paper	**8,100,544**	-
Included in cash and cash equivalents (note 25)	**587,988,600**	727,803,023

Money market instruments with original maturities 90 days or less	2025 $	2024 $
Included in cash and cash equivalents brought forward (note 25)	**587,988,600**	727,803,023
Interest receivable	**624,571**	1,656,189
Total money market instruments and money at call	**588,613,171**	729,459,212
Less: allowance for impairment	**(7,658)**	(8,143)
Total money market instruments and money at call, net	**588,605,513**	729,451,069

Money market instruments include commercial paper purchased at discounts, term deposits and certificate of deposits with interest rates ranging from 4.26% to 5.46% (2024: 4.19% to 5.67%) during the year.

6. Money market instruments and money at call *(continued)*

Money at call includes cash balances available to the Bank's money managers and funds held at the United States Federal Reserve Bank for the day-to-day operations of the Bank. These balances earned interest at 0.0% to 5.30% (2024: 0.0% to 5.30%) during the year.

7. Derivative financial instruments

Foreign currency forward contracts

Currency forwards represent commitments to purchase foreign currency. These contracts are initially recognised at fair value on the date that a derivative contract is established and are subsequently remeasured at fair value.

The following is an analysis of the currency forwards held with positive fair value as at 31 March 2025:

Currency sold /purchased	Notional value of contracts	Notional value of contracts EC$ equivalent	Value date of contracts	Fair value of contracts $
EUR	**773,300**	**2,264,139**	**7 April 2025**	**2,762**
		2,264,139		**2,762**

The following is an analysis of the currency forwards held with positive fair value as at 31 March 2024:

Currency sold /purchased	Notional value of contracts	Notional value of contracts EC$ equivalent	Value date of contracts	Fair value of contracts $
CAD	259,200	516,716	8 April 2024	231
CHF	6,000	18,282	8 April 2024	307
EUR	2,437,700	7,140,931	8 April 2024	46,079
GBP	808,930	2,771,836	8 April 2024	13,991
		10,447,765		60,608

8. Financial instruments

a) Classification of financial assets and liabilities

The accounting policies for financial assets and liabilities are set out in note 2(g) above.

The Bank has assessed which business models apply to the financial assets and has classified its financial instruments into the appropriate classification and measurement categories.

(i) Financial assets measured at FVOCI

Money market instruments

Money market instruments consists of commercial paper, certificate of deposits held in the Bank's foreign reserves core portfolio. Money market instruments and money at call also includes term deposits, which are held in the liquidity portfolio, as described in noted 8 (ii) below. The Bank has assessed its business model at the portfolio level as described in note 2 (g) (iii). The Bank concluded the following:

- Money market instruments held in the core foreign reserves portfolio are managed within a business model to hold to collect and sell financial assets and meet the SPPI criteria.

Investment securities other than equity instruments

Foreign debt investment securities are managed within a business model of collecting contractual cash flows and selling the financial assets and meet the SPPI criteria. Accordingly, these investments are classified and measured at FVOCI.

Equity investment instruments

The Bank has elected to irrevocably designate equity investment securities as fair value through other comprehensive income as permitted under IFRS 9.

(ii) Financial assets measured at amortised cost

Money market instruments and money at call

Money market instruments (term deposits) and money at call held in the liquidity portfolio are managed within a business model of held to collect the contractual cash flows and meet the SPPI criteria.

Domestic financial assets

Financial assets in the domestic portfolio are managed within a business model to collect contractual cash flows and meet the SPPI criteria.

8. Financial instruments *(continued)*

a) Classification of financial assets and liabilities *(continued)*

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments as at 31 March 2025:

Financial assets	Mandatorily at FVTPL	Designated at FVTPL	FVOCI - debt instruments	FVOCI - equity instruments	Amortised cost	Total carrying amount
Regional and foreign currencies	-	-	-	-	69,274,294	69,274,294
Balances with other central banks	-	-	-	-	13,389,423	13,389,423
Balances with foreign banks	-	-	-	-	100,602	100,602
Money market instruments and money at call	-		8,113,067	-	580,492,446	588,605,513
Derivative financial instruments	2,762	-	-	-	-	2,762
Foreign investment securities	-	-	4,814,390,611	78,205	-	4,814,468,816
Cash and balances with local banks	-	-	-	-	4,615,179	4,615,179
Domestic investment securities	-	-	-	624,186	-	624,186
Participating governments securities	-	-	-	-	210,361,927	210,361,927
Participating governments advances	-	-	-	-	109,482,517	109,482,517
Accounts receivable	-	-	-	-	2,295,627	2,295,627
Total Financial Assets	2,762	-	4,822,503,678	702,391	990,012,015	5,813,220,846
Demand and deposit liabilities – domestic	-	-	-	-	5,569,924,396	5,569,924,396
Lease liabilities	-	-	-	-	3,549,841	3,549,841
Demand and deposit liabilities – foreign	-	-	-	-	81,613,821	81,613,821
Derivative financial instruments	60,618	-	-	-	-	60,618
IMF government general resource accounts	-	-	-	-	1,153,537	1,153,537
Total Financial Liabilities	60,618	-	-	-	5,656,241,595	5,656,302,213

8. Financial instruments *(continued)*

a) Classification of financial assets and liabilities *(continued)*

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments as of 31 March 2024:

Financial assets	Mandatorily at FVTPL	Designated at FVTPL	FVOCI - debt instruments	FVOCI - equity instruments	Amortised cost	Total carrying amount
Regional and foreign currencies	-	-	-	-	166,233,126	166,233,126
Balances with other central banks	-	-	-	-	1,179,342	1,179,342
Balances with foreign banks	-	-	-	-	44,863	44,863
Money market instruments and money at call	-		-	-	729,451,069	729,451,069
Derivative financial instruments	60,608	-	-	-	-	60,608
Foreign investment securities	-	-	4,325,491,765	78,205	-	4,325,569,970
Cash and balances with local banks	-	-	-	-	1,074,234	1,074,234
Domestic investment securities	-	-	-	624,186	-	624,186
Participating governments securities	-	-	-	-	213,267,867	213,267,867
Participating governments advances	-	-	-	-	61,946,545	61,946,545
Accounts receivable	-	-	-	-	2,680,829	2,680,829
Total Financial Assets	60,608	-	4,325,491,765	702,391	1,175,877,875	5,502,132,639
Demand and deposit liabilities – domestic	-	-	-	-	5,385,890,262	5,385,890,262
Lease liabilities	-	-	-	-	2,721,099	2,721,099
Demand and deposit liabilities – foreign	-	-	-	-	77,771,381	77,771,381
Derivative financial instruments	25,297	-	-	-	-	25,297
IMF government general resource accounts	-	-	-	-	1,178,996	1,178,996
Total Financial Liabilities	25,297	-	-	-	5,467,561,738	5,467,587,035

9. Investment securities

	2025 $	2024 $
Foreign investment securities measured at fair value through other comprehensive income		
Debt securities		
- quoted, at fair value	**4,790,687,621**	4,314,063,922
Interest receivable	**23,702,990**	11,427,843
Total foreign debt securities at fair value through other comprehensive income	**4,814,390,611**	4,325,491,765
Equity securities designated at fair value through other comprehensive income		
Society for Worldwide Interbank Financial Telecommunication (SWIFT) 5 (2024: 5) ordinary shares of $15,641 each - unquoted	**78,205**	78,205
Total foreign investment securities	**4,814,468,816**	4,325,569,970
Domestic investment securities		
Equity securities designated at fair value through other comprehensive income		
Caribbean Information and Credit Rating Agency Services Ltd. 156,180 (2024: 156,180) ordinary shares of $2.70 each - unquoted	**421,686**	421,686
Eastern Caribbean Automated Clearing House Services Inc. 20,500 (2024: 20,500) ordinary shares of $10.00 each - unquoted	**202,500**	202,500
	624,186	624,186
Total investment securities	**4,815,093,002**	4,326,194,156

	2025 $	2024 $
Current	**4,702,978,365**	3,353,714,135
Non-current	**112,114,637**	972,480,021
	4,815,093,002	4,326,194,156

9. Investment Securities *(continued)*

Allowance for impairment losses on investment securities at FVOCI

The loss allowance on investment securities at FVOCI is recognised in other comprehensive income as the carrying amount of these investments is their fair value.

The following table shows the allowance for impairment losses on investment securities measured at FVOCI:

	2025				2024
	12-month ECL	Lifetime ECL not Credit-impaired	Lifetime ECL credit-impaired	Total	Total
Debt securities at FVOCI					
Balance at 1 April 2024	399,806	-	-	**399,806**	959,849
Decrease in loss allowance recognised in profit or loss during the year	(73,091)	-	-	**(73,091)**	(560,043)
Balance as at 31 March 2025	**326,715**	-	-	**326,715**	399,806

The movement in investment securities measured at FVOCI is summarised as follows:

	Domestic Securities $	Foreign Investment Securities $
Balance as of 31 March 2023	624,186	3,979,003,784
Additions	-	5,796,210,505
Sales, maturities and redemptions	-	(5,527,510,920)
Net gain transfer to equity	-	66,360,553
Balance as of 31 March 2024	624,186	4,314,063,922
Additions	-	10,504,079,084
Sales, maturities and redemptions	-	(10,087,286,927)
Net gain transfer to equity	-	59,831,542
Balance as of 31 March 2025	**624,186**	**4,790,687,621**

The Bank transferred gains of $647,984 (2024: losses of $115) from equity into the statement of profit or loss.

Gains / (losses) from investment securities comprise:

	2025 $	2024 $
Net realised gains / (losses) from disposal of foreign investment securities	**647,984**	(115)

10. Participating governments' securities

Participating government securities measured at amortised cost

	Nominal value 2025 $	Amortised cost 2025 $	Nominal value 2024 $	Amortised cost 2024 $
Government of Antigua and Barbuda				
Debenture maturing 2025	**7,956,658**	**7,956,658**	23,345,724	21,717,505
Debenture maturing 2027	**21,766,799**	**21,766,799**	28,537,308	28,537,308
Debenture maturing 2027	**6,438,794**	**6,438,794**	8,819,274	8,819,274
Debenture maturing 2028	**10,000,000**	**10,000,000**	10,000,000	10,000,000
Debenture maturing 2028	**4,053,207**	**4,053,207**	4,300,000	4,300,000
Debenture maturing 2029	**20,000,000**	**20,000,000**	-	-
Government of the Commonwealth of Dominica				
Debenture maturing 2034	**21,401,078**	**21,401,078**	23,266,916	22,196,820
Government of Saint Lucia				
Debenture maturing 2035	**54,000,000**	**54,000,000**	54,000,000	51,018,608
Government of Saint Vincent and the Grenadines				
Debenture maturing 2030	**7,770,334**	**7,770,334**	8,896,436	8,542,191
Debenture maturing 2035	**13,132,490**	**13,132,490**	14,070,860	13,552,249
Debenture maturing 2036	**16,443,590**	**16,443,590**	17,500,000	17,500,000
Debenture maturing 2037	**25,000,000**	**25,000,000**	25,000,000	25,000,000
	207,962,950	**207,962,950**	217,736,518	211,183,955
Interest receivable	**-**	**2,931,327**	-	2,715,483
Total participating governments' securities: debentures, gross	**207,962,950**	**210,894,277**	217,736,518	213,899,438
Less: allowance for impairment losses	**-**	**(532,350)**	-	(631,571)
Total participating governments' securities: debentures, net	**207,962,950**	**210,361,927**	217,736,518	213,267,867

	2025	2024
Current	**35,673,140**	31,857,473
Non-Current	**174,688,787**	181,410,394
	210,361,927	213,267,867

10. Participating governments' securities *(continued)*

Participating government securities measured at amortised cost *(continued)*

During the financial year ended 31 March 2025, the Government of Antigua and Barbuda issued debentures to the ECCB totalling $20,000,000 (2024: $14,300,000) through the member governments' access to their long-term credit allocation at the Bank.

During the year, the Bank reassessed the treatment of certain participating governments securities, following the ECCB's Monetary Council approval of a reduction in the Bank's discount rate and interest rate on long-term credit to member governments during the year ended 31 March 2021. This review concluded that the interest rate on long-term credit to member governments is a floating rate indexed to the Bank's discount (policy) rate. Therefore, the previously recorded modification loss of $6,552,558 was not consistent with the nature of the instruments.

Management has assessed and determined that the impact of the previously recorded modification loss is immaterial. Accordingly, the Bank has recorded the correcting adjustment in the current period's financial statements to ensure accurate cumulative reporting and fair presentation.

The movement in participating governments' securities may be summarized as follows:

	Debentures
	$
Balance as of 31 March 2023	**223,455,139**
Additions	14,300,000
Payment of principal	(26,571,184)
Balance as of 31 March 2024	**211,183,955**
Additions	20,000,000
Payment of principal	(29,773,563)
Reversal of modification loss on debentures	6,552,558
Balance as of 31 March 2025	**207,962,950**

During the year, participating governments' securities accrued interest at a rate of 3.5% to 4.5% (2024: 2% to 4.5%).

11. Participating governments' advances

Participating government advances measured at amortised cost

	2025 $	2024 $
Operating accounts:		
- Government of Saint Lucia	**65,930,329**	5,737,350
Interest receivable	**263**	24,741
Total operating accounts	**65,930,592**	5,762,091
Temporary advances		
- Government of Antigua and Barbuda	**28,815,447**	43,500,000
- Government of Saint Vincent and the Grenadines	**14,624,748**	12,303,312
	43,440,195	55,803,312
Interest receivable	**156,436**	432,594
Total temporary advances	**43,596,631**	56,235,906
Total participating governments' advances, gross	**109,527,223**	61,997,997
Less: allowance for impairment losses	**(44,706)**	(51,452)
Total participating governments' advances, net	**109,482,517**	61,946,545
Current	**109,482,517**	61,946,545

Amounts due from participating governments for temporary advances and operating account overdraft balances are unsecured and accrued interest at rates 3.0% per annum (2024: 2.0% to 3.0%).

12. Accounts receivable, prepaid expenses and other assets

	2025 $	2024 $
Accounts receivable	**13,670,770**	15,319,605
Staff loans	**18,325**	76,945
Prepaid expenses	**7,944,585**	5,888,538
Notes and coins inventory	**18,300,957**	20,250,331
	39,934,637	41,535,419
Less: Allowance for impairment on receivables	**(11,393,468)**	(12,715,721)
	28,541,169	28,819,698
Current	**11,027,770**	12,521,269
Non-current	**17,513,399**	16,298,429
	28,541,169	28,819,698

Staff loans accrue interest at a rate of 4% per annum with variable repayment terms. As the loans are granted at a preferential interest rate, this has given rise to a short-term employee benefit asset in the amount of $3,036 (2024: $10,756) at the statement of financial position date. This amount is included in prepaid expenses.

The cost of notes and coins inventory includes cost of the production of notes and coins by printers/minters, freight and other related charges.

The Bank's receivables have been assessed for indicators of impairment as required by IFRS 9. The Bank applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure ECL on a collective basis, receivables are grouped on similar credit risk and ageing. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the entity, and a failure to make contractual payments for a period of greater than 90 days past due. As of 31 March 2025, receivables had lifetime expected credit losses of $11,393,468 (2024: $12,715,721).

Allowance for impairment on accounts receivable

The movement in allowance for impairment on accounts receivable is as follows:

	2025 $	2024 $
Balance, beginning of year	**12,715,721**	9,682,461
Allowance during the year	**626,261**	3,033,260
Recoveries during the year	**(1,948,514)**	-
Balance at end of year	**11,393,468**	12,715,721

13. Investments in associates

Article 42 (1) of the Eastern Caribbean Central Bank Agreement Act 1983 empowers the Bank, with the approval of the Monetary Council, to administer or participate in corporations or schemes established for the purpose of promoting the development of money, capital or securities markets in the territories of participating governments.

Article 42 (2) of the Eastern Caribbean Central Bank Agreement Act 1983 authorises the Bank, with the approval of the Monetary Council, to subscribe to hold and sell shares of a corporation organised with the approval or under the authority of the participating governments for any of the purposes specified in Article 42 (1). The following are institutions, which were established under Article 42 (1):

Eastern Caribbean Home Mortgage Bank (ECHMB)
The Bank holds 24.8% (2024: 24.8%) of the share capital of the ECHMB – 25,000 Class "A" shares at a cost of $100 each and 41,812 Class "A" shares at a cost of $160 each. The Company was established as a vehicle to foster the development of the money market and secondary market for mortgages in the territories of the participating governments of the ECCB Agreement Act 1983. The ECHMB's principal place of business is Bird Rock, Basseterre, Saint Christopher (St Kitts) and Nevis.

Eastern Caribbean Securities Exchange (ECSE)
The Bank holds 32.74% (2024: 32.74%) of the share capital of the ECSE – 327,419 Class "A" shares at a cost of $10 each. The ECSE was established to enhance and increase investment opportunities, and to foster the development of a securities market in the territories of participating governments of the ECCB Agreement Act 1983. The Eastern Caribbean Central Securities Depository Limited (ECCSD) is a wholly owned subsidiary of the ECSE. The ECSE's principal place of business is Bird Rock, Basseterre, Saint Christopher (St Kitts) and Nevis.

Organisation of Eastern Caribbean States Distribution and Transportation Company (ODTC)
The Bank holds 20% of the share capital of the ODTC – 2,001 Class "A" shares at a cost of $10 each. The Company was established as a vehicle to foster the development of the distribution and transportation sector in the territories of the participating governments of the ECCB Agreement Act 1983. The company has not commenced operations as of 31 March 2025. The company's secretariat is located at Bird Rock, Basseterre, Saint Christopher (St Kitts) and Nevis.

13. Investments in associates *(continued)*

The Bank's investments in associates are detailed below:

	2025 $	2024 $
Eastern Caribbean Home Mortgage Bank (ECHMB)		
Balance at beginning of year	**7,615,987**	22,032,920
Share of profit for the year	**1,540,468**	1,259,700
Dividend received during the year	**(334,060)**	(334,060)
Share of other comprehensive income / (loss)	**859,051**	(15,342,573)
Balance at end of year	**9,681,446**	7,615,987
Eastern Caribbean Securities Exchange (ECSE)		
Balance at beginning of year	**5,205,676**	4,712,019
Share of profit for the year	**837,134**	624,625
Dividend received during the year	**(327,419)**	(130,968)
Balance at end of year	**5,715,391**	5,205,676
OECS Distribution and Transportation Company (ODTC)		
Balance at beginning and end of year	**20,010**	20,010
Total investments in associates	**15,416,847**	12,841,673

The total share of profit of associates recognised in the statement of profit or loss was $2,377,602 (2024: $1,884,325).

13. Investments in associates *(continued)*

The Bank's interest in its principal associates, both of which are unlisted, is as follows as of 31 March 2025:

Entity	Assets $	Liabilities $	Revenue $	Profit $	% Interest held %
ECHMB	512,020,299	(431,059,379)	23,582,677	6,211,564	24.80
ECSE	64,575,859	(43,542,241)	7,086,825	2,556,915	32.74

The Bank's interest in its principal associates, both of which are unlisted, is as follows as of 31 March 2024:

Entity	Assets $	Liabilities $	Revenue $	Profit $	% Interest held %
ECHMB	491,350,562	(419,023,786)	21,543,846	5,236,496	24.80
ECSE	98,058,669	(79,581,967)	6,190,175	2,115,646	32.74

The Bank's interest has been determined on the basis of the unaudited financial statements for these entities, as the timing for receipt of the audited financial statements is after the scheduled date for finalization of the ECCB's accounts. The 2024 comparatives represent audited financial results for these entities, which were not materially different to the unaudited amounts used in the preparation of the Bank's financial statements for the year ended 31 March 2024.

14. Intangible assets

	Computer software $
Cost	
Balance at 1 April 2023	**27,767,946**
Transfers	345,586
Balance at 31 March 2024	**28,113,532**
Balance at 1 April 2024	**28,113,532**
Additions	34,290
Derecognition	(5,389,505)
Balance at 31 March 2025	**22,758,317**
Accumulated amortisation	
Balance at 1 April 2023	19,803,948
Amortisation	907,112
Balance at 31 March 2024	20,711,060
Balance at 1 April 2024	**20,711,060**
Amortisation	871,680
Balance at 31 March 2025	**21,582,740**
Net book value	
At 31 March 2023	7,963,998
At 31 March 2024	7,402,472
At 31 March 2025	**1,175,577**

15. Property and equipment

	Land $	Buildings $	Furniture and equipment $	Computer systems $	Land improvements $	Building improvements $	Motor vehicles $	Capital work in progress $	Total $
Cost									
Balance at 1 April 2023	21,826,175	140,500,651	47,071,687	11,766,404	1,401,564	1,672,766	1,462,672	4,479,578	230,181,497
Transfers	-	-	219,186	353,107	-	433,086	-	(1,005,379)	-
Additions	1,373,403	-	1,578,556	97,099	830,759	381,362	96,500	12,957,698	17,315,377
Derecognition and disposals	-	-	(1,039,845)	(24,483)	-	-	-	-	(1,064,328)
Balance at 31 March 2024	**23,199,578**	**140,500,651**	**47,829,584**	**12,192,127**	**2,232,323**	**2,487,214**	**1,559,172**	**16,431,897**	**246,432,546**
Cost									
Balance at 1 April 2024	23,199,578	140,500,651	47,829,584	12,192,127	2,232,323	2,487,214	1,559,172	16,431,897	246,432,546
Transfers	-	2,888,379	113,590	3,839,911	-	(2,888,379)	-	(3,953,501)	-
Additions	-	-	931,790	134,651	-	401,165	246,000	15,884,414	17,598,020
Revaluation	10,741,406	34,659,313	-	-	-	-	-	-	45,400,719
Derecognition and disposals	-	(12,318,343)	(107,312)	(17,625)	-	-	(244,400)	-	(12,687,680)
Balance at 31 March 2025	**33,940,984**	**165,730,000**	**48,767,652**	**16,149,064**	**2,232,323**	**-**	**1,560,772**	**28,362,810**	**296,743,605**

15. Property and equipment *(continued)*

	Land $	Buildings $	Furniture and equipment $	Computer systems $	Land improvements $	Building improvements $	Motor vehicles $	Capital work in progress $	Total $
Accumulated depreciation									
Balance at 1 April 2023	-	5,928,295	27,139,300	8,886,449	233,237	136,421	1,150,958	-	43,474,660
Depreciation charge	-	2,893,855	2,183,577	990,235	153,342	212,887	98,013	-	6,531,909
Depreciation write-back	-	-	(1,039,845)	(23,672)	-	-	-	-	(1,063,517)
Balance at 31 March 2024	-	8,822,150	28,283,032	9,853,012	386,579	349,308	1,248,971	-	48,943,052
Balance at 1 April 2024	-	8,822,150	28,283,032	9,853,012	386,579	349,308	1,248,971	-	48,943,052
Depreciation charge		2,893,854	2,290,196	1,648,287	223,597	253,031	115,043	-	7,424,008
Depreciation write-back	-	(11,716,004)	(97,502)	(15,827)	-	(602,339)	(244,400)	-	(12,676,072)
Balance at 31 March 2025	**-**	**-**	**30,475,726**	**11,485,472**	**610,176**	**-**	**1,119,614**	**-**	**43,690,988**
Net book value									
At 1 April 2023	21,826,175	134,572,356	19,932,387	2,879,955	1,168,327	1,536,345	311,714	4,479,578	186,706,837
At 31 March 2024	23,199,578	131,678,501	19,546,552	2,339,115	1,845,744	2,137,906	310,201	16,431,897	197,489,494
At 31 March 2025	**33,940,984**	**165,730,000**	**18,291,926**	**4,663,592**	**1,622,147**	**-**	**441,158**	**28,362,810**	**253,052,617**

15. Property and equipment *(continued)*

The following is the historical cost carrying amount of land and buildings as of 31 March 2025:

	Land $	Buildings $	Total $
Cost	9,693,033	85,772,542	95,465,575
Accumulated depreciation	-	(66,027,473)	(66,027,473)
Net book value	9,693,033	19,745,069	29,438,102

The following is the historical cost carrying amount of land and buildings as of 31 March 2024:

	Land $	Buildings $	Total $
Cost	9,693,033	82,884,163	92,577,196
Accumulated depreciation	-	(63,133,619)	(63,133,619)
Net book value	9,693,033	19,750,544	29,443,577

15. Property and equipment *(continued)*

Measurement of fair values

Valuation techniques and significant unobservable inputs

The last independent valuation of the Bank's land and buildings was performed as at 31 March 2025. The properties were stated at fair market value, as appraised by the independent valuer. The values for the properties were determined using the following methodologies which best reflect the nature of the property: the comparable sales approach and the cost approach.

Land and buildings shown at revalued amounts are included in Level 3 on the fair value hierarchy.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Category	**Valuation techniques**	**Significant unobservable Inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Land	Sales Comparable Approach	• Adjustment to price based on land sales in the area – EC$50 per square foot for commercial; EC$35 per square foot for residential	The estimated fair value would increase /(decrease) if: • Sales value of comparable properties were higher/(lower) • Comparability adjustment were higher/(lower)
Commercial Property	Cost Approach	• Condition of building • Construction cost per square foot for similar structures - EC$1,500 to EC$2,000	The estimated fair value would increase /(decrease) if: • the estimated costs of construction for buildings were higher/(lower)
Residential Property	Cost Approach	• Condition of building • Construction cost per square foot for similar structures - EC$350 to EC$550	The estimated fair value would increase /(decrease) if: • Sales value of comparable properties were higher/(lower) • Comparability adjustment were higher/(lower)

16. Leases

The Bank leases properties mainly for its Agency Offices operations with lease terms ranging from 1 to 10 years. The leases include an option to renew for the same or shorter duration after the end of the contract term, which the Bank is expected to exercise. The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and leases for which the lease term ends within 12 months.

Information about leases for which the Bank is a lessee is presented below:

(a) Amounts recognised in the statement of financial position:

(i) Right-of-use asset

The carrying amounts of right-of-use assets recognised and movements during the year are as follows:

	Buildings
	$
At 1 April 2024	**2,460,990**
Effect of modification of lease	**1,738,146**
Depreciation	**(948,078)**
Balance at 31 March 2025	**3,251,058**

	Buildings
	$
At 1 April 2023	2,684,546
Effect of modification of lease	731,594
Depreciation	(955,150)
Balance at 31 March 2024	2,460,990

(ii) Lease liabilities

The carrying amounts of lease liabilities and movements during the year are as follows:

	Buildings
	$
At 1 April 2024	**2,721,099**
Effect of modification of lease	**1,728,078**
Interest expense	**189,127**
Lease payments	**(1,088,463)**
Balance at 31 March 2025	**3,549,841**

16. Leases *(continued)*

(a) Amounts recognised in the statement of financial position *(continued)*

(ii) Lease liabilities *(continued)*

	Buildings $
At 1 April 2023	2,918,573
Effect of modification of lease	712,737
Interest expense	171,764
Lease payments	(1,081,975)
Balance at 31 March 2024	2,721,099

	2025 $	**2024** $
Maturity analysis of contractual undiscounted cash flows of lease liabilities		
Less than one year	**946,096**	1,005,564
One to five years	**2,220,937**	2,146,837
More than five years	**1,034,453**	71,169
	4,201,486	3,223,570
Current	**946,096**	1,005,564
Non-current	**3,255,390**	2,218,006
	4,201,486	3,223,570

(b) Amounts recognised in profit or loss

The following amounts are recognised in profit or loss:

	2025 $	**2024** $
Depreciation charge on right-of-use assets	**948,078**	955,150
Interest expense on lease liabilities	**189,127**	171,764
Expenses relating to short-term leases	**184,805**	75,000
	1,322,010	1,201,914

17. Demand and deposit liabilities - domestic

	2025 $	2024 $
Bankers' reserves - current accounts	**2,871,261,218**	2,891,428,228
Currency in circulation	**1,697,633,721**	1,569,875,648
Bankers' collateral account	**343,310,605**	361,001,037
Bankers' dormant accounts	**135,245,525**	127,919,572
Participating governments' fixed deposits accounts	**132,451,513**	79,190,639
Participating governments' call accounts	**114,688,108**	102,354,690
Participating governments' operating accounts	**88,598,094**	71,673,830
Participating governments' fiscal reserve tranche II	**50,895,328**	55,995,679
Accounts payable, accruals and provisions	**16,907,423**	11,933,104
Participating governments' sinking fund call accounts	**13,391,199**	9,423,493
ECHMB operating account	**12,573,497**	1,812,957
Participating governments' fiscal tranche I call accounts	**43,368,156**	6,345,154
Eastern Caribbean Partial Credit Guarantee Corporation (ECPCGC)	**8,291,518**	21,088,157
Eastern Caribbean Asset Management Corporation (formerly Resolution Trust Corporation)	**7,966,344**	600,799
Participating governments' drug service accounts	**7,209,376**	9,697,534
BAICO Recapitalisation Holding account	**4,463,848**	4,463,848
Eastern Caribbean Securities Exchange accounts	**3,958,489**	39,611,409
Bankers' call accounts	**3,291,208**	9,044,533
British American Liquidity Support	**3,280,030**	3,310,371
British Caribbean Currency Board Coins in Circulation	**2,564,130**	2,564,130
Organisation of Eastern Caribbean States operating accounts	**2,098,673**	1,606,109
Eastern Caribbean Automated Clearing House	**1,734,980**	1,223,390
Commemorative coins in circulation	**1,379,972**	1,379,972
Statutory and legislative bodies' operating accounts	**1,369,827**	92,920
British Caribbean Currency Board Residual Fund	**833,626**	833,626
Improving AML/CFT frameworks within ECCU	**373,077**	473,646
Eastern Caribbean Asset Management Corporation	**164,200**	198,950
Participating governments' debt restructuring escrow accounts	**91,473**	72,227
ECSRC crowdfunding development fund account	**79,844**	79,844
Government of Antigua and Barbuda Road Infrastructure	**76,850**	75,692
Government of Antigua & Barbuda Recovery & Reconstruction Project	**46,164**	45,468
OECS Distribution and Transportation Company Limited	**22,380**	22,380
Demand and deposit liabilities - domestic	**5,569,620,396**	5,385,439,036
Interest payable	**304,000**	451,226
Total demand and deposit liabilities - domestic	**5,569,924,396**	5,385,890,262
Current	**5,569,924,396**	5,385,890,262

17. Demand and deposit liabilities – domestic *(continued)*

During the year, interest was accrued and paid on the following accounts at rates ranging from 1.40% to 2.90% (2024: 0.40% to 2.90%) per annum: participating governments fiscal tranche I, operating and fixed deposits accounts, participating governments' and statutory bodies' fixed deposits accounts, bankers' call accounts and ECHMB's operating account.

Participating governments' fiscal reserve tranche II

The Monetary Council has approved the establishment of a fiscal reserve fund. In accordance with the Bank's profit distribution policy, forty per cent (40%) of the annual share of distributable profits to member governments' is transferred to the participating governments' fiscal tranche II call account. An amount of $21,899,649 was allocated from profit to the fund for the current financial year (2024: nil).

	2025 $	2024 $
Balance at beginning of year	**55,995,679**	55,995,679
Hurricane Beryl grant	**(2,000,000)**	-
Allocation: Food and Nutrition Security Programme	**(25,000,000)**	-
Allocation from net profit	**21,899,649**	-
Balance at end of year	**50,895,328**	55,995,679

Participating governments' fiscal tranche I call accounts

In accordance with the Bank's profit distribution policy, sixty per cent (60%) of the annual share of distributable profits to member governments is transferred to the participating governments' fiscal tranche I call accounts. An amount of $32,849,473 from profit was allocated to the fund for the current financial year (2024: nil).

	2025 $	2024 $
Balance at beginning of year	**6,345,154**	6,355,938
Transfers	**4,000,000**	800,000
Interest on account	**173,529**	89,216
Withdrawals	**-**	(900,000)
Allocation from net profit	**32,849,473**	-
Balance at end of year	**43,368,156**	6,345,154

Participating governments' fiscal tranche I call accounts earn interest at the prevailing call rate offered by the Bank and are readily accessible by the respective governments.

18. Demand and deposit liabilities - foreign

	2025 $	2024 $
Other regional and international organisations	**81,175,308**	76,391,985
Caribbean Development Bank accounts	**227,976**	1,198,912
Caribbean Financial Services Corporation account	**190,249**	147,928
Regional central banks and agency accounts	**20,288**	32,556
Total demand and deposit liabilities – foreign	**81,613,821**	77,771,381
Current	**81,613,821**	77,771,381

The Bank accrued and paid interest on applicable accounts listed above at a rate of 2.40% (2024: 1.40% to 2.40%) per annum.

19. IMF government general resource accounts

	2025 $	2024 $
Saint Lucia	**418,408**	427,642
Antigua and Barbuda	**222,381**	227,288
Grenada	**163,062**	166,660
Saint Christopher (St Kitts) and Nevis	**121,357**	124,037
Commonwealth of Dominica	**114,248**	116,768
Saint Vincent and the Grenadines	**114,081**	116,601
Total IMF government general resource accounts	**1,153,537**	1,178,996
Current	**1,153,537**	1,178,996

20. Derivative financial instruments

Foreign currency forward contracts

The following is an analysis of the currency forwards held with negative fair value as of 31 March 2025:

Currency sold/ purchased	Notional value of contracts	Notional value of contracts EC$ equivalent	Value date of contracts	Fair value of contracts $
EUR	**17,464**	**52,350**	**1 April 2025**	**1,292**
CAD	**682,200**	**1,275,821**	**7 April 2025**	**8,660**
EUR	**1,725,400**	**5,008,462**	**7 April 2025**	**37,160**
GBP	**632,200**	**2,195,167**	**7 April 2025**	**13,506**
		8,531,800		**60,618**
			Current	**60,618**

The following is an analysis of the currency forwards held with negative fair value as of 31 March 2024:

Currency sold/ purchased	Notional value of contracts	Notional value of contracts EC$ equivalent	Value date of contracts	Fair value of contracts $
CAD	1,168,700	2,315,439	8 April 2024	13,324
EUR	1,570,800	4,566,469	8 April 2024	5,298
GBP	450,400	1,498,509	8 April 2024	6,675
		8,380,417		25,297
			Current	25,297

21. Other reserves

	2025 $	2024 $
Property revaluation reserve	**164,311,451**	118,910,732
Pension reserve	**26,954,000**	35,347,000
Self-insurance reserve fund	**17,196,515**	15,725,745
Capital reserve	**6,537,928**	6,537,928
Export Credit Guarantee fund	**1,808,877**	1,808,877
Investment revaluation reserve	**(16,429,085)**	(76,399,146)
Total reserves	**200,379,686**	101,931,136

Export Credit Guarantee Fund

Under Article 42 (1) of the Eastern Caribbean Central Bank Agreement Act 1983, the Bank is empowered to administer or participate in an export credit guarantee scheme. In exercise of this power, the Bank has assigned to one of its departments, the objective of providing pre-shipment export credit guarantees to commercial banks in respect of advances made to exporters from the Organisation of Eastern Caribbean States. Article 42 (4) of the Eastern Caribbean Central Bank Agreement Act 1983 provides for the Bank to make discretionary contributions out of its profits towards a guarantee fund for administering the Export Credit Guarantee Scheme. The Board of Directors have agreed to maintain the fund at a minimum of $1,000,000.

Capital reserve

Capital reserve includes the land (8.3568 acres) on which the Bank's headquarters (phase I and II) are constructed, which was donated by the Government of St. Kitts and Nevis. The land was independently valued at $629,528 in 1991 for phase I and $2,720,000 in 2001 for phase II. In 2003 the Government of St. Kitts and Nevis donated an additional 0.61 acres to the Bank, which was independently valued at $498,400. In 2005, the Government of St. Kitts and Nevis donated an additional 2 acres of land, which was independently valued at $2,690,000.

Self-insurance reserve

The Board of Directors has agreed to appropriate annually to the Self-insurance reserve, from net income, such amount equivalent to the quoted premium from an insurance carrier, to cover potential catastrophe in respect of the Bank's headquarters buildings and full coverage for the other properties. It also agreed to a funded cap of 20% of the replacement value of the relevant buildings (determined by independent valuation).

Pension reserve

The Board of Directors has decided to make appropriations annually to or from net income for the amounts necessary to maintain a pension reserve equivalent to the pension asset.

21. Other Reserves *(continued)*

Property revaluation reserve

This reserve represents the carrying amount arising on revaluation of land and buildings recognised in other comprehensive income.

Investment revaluation reserve

The investment revaluation reserve represents the net unrealised fair value gains/(losses) on the revaluation of the Bank's financial assets classified and measured at FVOCI and expected credit losses thereon.

The movements of the investment revaluation reserve as a result of changes in the fair values are as follows:

	Investment securities $	Money market instruments $	Total $
Balance at 31 March 2023	(126,857,083)	(534,523)	(127,391,606)
Revaluation of investments	66,360,438	534,523	66,894,961
Revaluation transfer to profit or loss on disposal of foreign securities	115	-	115
Impairment of investment securities at FVOCI	(560,043)	-	(560,043)
	(61,056,573)	-	(61,056,573)
Share of associates fair value losses on investments at FVOCI	(15,342,573)	-	(15,342,573)
Balance at 31 March 2024	(76,399,146)	-	(76,399,146)
Revaluation of investments	59,831,542	543	59,832,085
Revaluation transfer to profit or loss on disposal of foreign securities	(647,984)	-	(647,984)
Impairment of investment securities at FVOCI	(73,091)	-	(73,091)
	(17,288,679)	543	(17,288,136)
Share of associates fair value losses on investments at FVOCI	859,051	-	859,051
Balance at 31 March 2025	**(16,429,628)**	**543**	**(16,429,085)**

22. Pension asset

The Bank contributes to a defined benefit pension plan (Eastern Caribbean Central Bank or ECCB Pension Plan/Fund) covering substantially all full-time employees. The assets of the ECCB Pension Plan are held separately in an independent trustee administered fund. The pension plan is valued every three years by a firm of independent qualified actuaries, Bacon Woodrow & de Souza Limited – Actuaries and Consultants. The Actuaries calculations of the Funds liabilities are based on the detailed actuarial calculations carried out using the data provided for the statutory funding valuation of the Pension Fund as at 31 March 2022. Those results were rolled forward to 31 March 2025. A full valuation is being carried out as at 31 March 2025 for funding purposes, the results of which will come through for the disclosures in the 2025-26 financial year. The latest available full valuation of the Pension Fund was at 31 March 2022. It used the projected unit credit method, and showed that the fair value of the Fund's assets at 31 March 2022 represented 119% of the benefits that had accrued to members as at that date. The fair value of the Fund's assets at that time was $135.8 million and the required future service contribution rate was 20.8% of pensionable salaries. The next detailed full valuation will be conducted as at 31 March 2028.

	2025 $	2024 $
Net asset in the statement of financial position:		
Fair value of plan assets	**150,727,000**	142,514,000
Present value of defined benefit obligation	**(123,773,000)**	(105,043,000)
Surplus	**26,954,000**	37,471,000
Effect of asset ceiling	-	(2,124,000)
Net defined benefit asset recognised in the statement of financial position	**26,954,000**	35,347,000

	2025 $	2024 $
Reconciliation of amount reported in the statement of financial position:		
Pension asset, beginning of year	**35,347,000**	30,976,000
Net pension costs during the year	**(1,912,000)**	(3,536,000)
Remeasurements recognised in other comprehensive income	**(10,062,000)**	4,851,000
Bank's contributions paid to pension plan	**3,581,000**	3,056,000
Pension asset, end of year	**26,954,000**	35,347,000

Effective April 1, 2007, the Bank adjusted its contribution to the Pension Fund from 16% to 12% to benefit from the current overfunded position of the pension fund and as prescribed by rule 4(3) of the Pension Fund Trust Deed and Rules (1992).

22. Pension asset *(continued)*

	2025	2024
	$	$
Movement in present value of defined benefit obligation over the year is as follows:		
Beginning of year	**105,043,000**	96,758,000
Current service cost	**4,420,000**	3,776,000
Interest cost	**7,689,000**	7,112,000
Contributions by plan participants	**895,000**	764,000
Past service cost	**-**	1,925,000
Experience adjustments	**10,860,000**	(404,000)
Benefits paid	**(5,134,000)**	(4,888,000)
Defined benefit obligation at end of year	**123,773,000**	105,043,000

The defined benefit obligation is allocated between the Plan's members as follows:	**2025**	2024
	%	%
Active members	**64**	64
Deferred members	**-**	-
Pensioners	**36**	34

The weighted average duration of the defined benefit obligation at the year end	**13.4 years**	13.4 years

96% of the benefits for active members are vested.

32% of the defined benefit obligation for active members is conditional on future salary increases.

	2025	2024
	$	$
Movement in fair value of plan assets over the year		
Plan assets at start of year	**142,514,000**	127,734,000
Interest income	**10,653,000**	9,531,000
Return on plan assets, excluding interest income	**(1,485,000)**	6,571,000
Bank's contributions	**3,581,000**	3,056,000
Members' contributions	**895,000**	764,000
Benefits paid	**(5,134,000)**	(4,888,000)
Expense allowance	**(297,000)**	(254,000)
Fair value of plan assets at end of year	**150,727,000**	142,514,000

22. Pension asset *(continued)*

Expense recognised in the statement of profit or loss:	**2025**	2024
	$	$
Current service cost	**4,420,000**	3,776,000
Net interest on net defined benefit liability (asset)	**(2,805,000)**	(2,419,000)
Past service cost	**-**	1,925,000
Administration expenses	**297,000**	254,000
Net pension cost included in staff costs (note 28)	**1,912,000**	3,536,000

	2025	2024
	$	$
Remeasurements recognised in other comprehensive income		
Experience (losses)/gains	**(12,345,000)**	6,975,000
Effect of asset ceiling	**2,283,000**	(2,124,000)
Remeasurement (loss)/gain recognised in other comprehensive income	**(10,062,000)**	4,851,000

	2025	2024
	%	%
The principal actuarial assumptions used were as follows:		
Discount rate	**7.5**	7.5
Average individual salary increases	**5.0**	5.0
Future pension increases	**0.0**	0.0

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligations as at 31 March 2025 are as follows:

	2025	2024
Life expectancy at age 60 for current pensioners in years		
Male	**22.0**	22.0
Female	**26.3**	26.2
Life expectancy at age 60 for current members age 40 in years		
Male	**22.9**	22.8
Female	**27.2**	27.1

Plan assets are comprised as follows:

	2025	2024
	$	**$**
Developed market equities	**60,578,000**	61,410,000
EC Government issued nominal bonds and treasury bills	**309,000**	4,309,000
USD denominated bonds	**82,581,000**	75,861,000
USD cash and cash equivalents	**7,899,000**	2,128,000
Net current assets	**(640,000)**	(1,194,000)
Fair value of plan assets at end of year	**150,727,000**	142,514,000

22. Pension asset *(continued)*

The largest proportion of the Plan's assets is invested in debt instruments. Overseas equities in developed markets and USD denominated bonds have quoted prices.

The Plan's assets are invested based on a strategy agreed with the Trustees. There are no asset-liability matching strategies used by the Plan.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises the sensitivity of the defined benefit obligation to changes in the assumptions used:

	2025 Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		$	$
Discount rate	**1%**	**(13,975,000)**	**17,120,000**
Future salary increases	**1%**	**7,024,000**	**(6,257,000)**
Life expectancy	**1 year**	**1,378,000**	**-**

	2024 Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$	$
Discount rate	1%	(11,861,000)	14,529,000
Future salary increases	1%	5,961,000	(5,310,000)
Life expectancy	1 year	1,170,000	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension plan asset recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

22. Pension asset *(continued)*

Funding

The Bank meets the balance of the cost of funding the defined benefit Pension Plan and must contribute at least 12% of members' salaries to the Plan. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above.

The Bank is expected to pay estimated pension contribution of $4.0 million (2025: $3.0 million) into the defined benefit plan during the next (2025-26) financial year.

23. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties include the participating governments, board of directors, key management personnel, the ECCB pension fund and associates.

Participating governments

The receivables from and payables to participating governments arise mainly from the Bank carrying out one of its key roles as banker to participating governments as provided for in part nine (ix) of the ECCB Agreement Act 1983.

The year-end balances arising from transacting with participating governments are as follows:

	2025 **$**	**2024** **$**
Due from participating governments		
Participating governments' securities (note 10)	**210,361,927**	213,267,867
Participating governments' advances (note 11)	**109,482,517**	61,946,545
Due to participating governments (note 17)		
Participating governments' fixed deposits accounts	**132,451,513**	79,190,639
Participating governments' call accounts	**114,688,108**	102,354,690
Participating governments' operating accounts	**88,598,094**	71,673,830
Participating governments' fiscal reserve tranche II	**50,895,328**	55,995,679
Participating governments' sinking fund call accounts	**13,391,199**	9,423,493
Participating governments' fiscal tranche I call accounts	**43,368,156**	6,345,154
Participating governments' drug service accounts	**7,209,376**	9,697,534
Participating governments' debt restructuring escrow accounts	**91,473**	72,227

Interest income earned on participating governments securities and advances during the year was $10,389,352 (2024: $9,564,632). These accounts carry interest rates of 3.0% to 4.5% (2024: 2.0% to 4.5%) during the year.

23. Related party balances and transactions *(continued)*

Participating governments *(continued)*

Interest expense on participating governments demand accounts during the year was $9,338,632 (2024: $4,464,527). These accounts carry interest rate of 1.40% to 2.90% (2024: 0.40% to 2.90%) during the year.

Eastern Caribbean Central Bank Pension Plan

The Bank provides management, investment and administrative support to the Pension Plan. Services in the amount of $226,259 were fully recovered from the Pension Plan during the year (2024: $204,976). Disclosures related to the Bank's post-employment benefit plans are included in Note 22.

Key management personnel and compensation

The key management personnel responsible for planning, directing and controlling the activities of the Bank are the members of the Executive, the Senior Management and the Board of Directors.

The compensation of key management personnel is presented in the following table. Short-term employee benefits and post-employment benefits apply to Bank employees only.

	2025	**2024**
	$	**$**
Salaries and other short-term employee benefits	**6,959,966**	4,586,203
Board of Directors' fees	**240,000**	240,000
Post-employment benefits	**267,335**	171,942
	7,467,301	4,998,145

The value of other transactions during the year and outstanding balances related to key management personnel as of 31 March 2025 was nil (2024: nil).

Transactions and balances with associates

	2025	**2024**
	$	**$**
Rental income	**300,000**	300,000
Dividends from associates	**661,479**	465,028
Demand and deposit liability accounts (note 17)		
Eastern Caribbean Home Mortgage Bank	**12,573,497**	1,812,957
Eastern Caribbean Securities Exchange	**3,958,489**	39,611,409
OECS Distribution and Transportation Company Limited	**22,380**	22,380

24. Commitments and contingencies

Commitments

Capital commitments

As at 31 March 2025, commitments for capital expenditure amounted to $3,627,506 (2024: $7,634,166). No provision has been made in these financial statements for the unexpended capital commitments as at reporting date although appropriate funding has been approved.

Credit limits to participating governments

Article 40 (1) of the ECCB Agreement Act 1983 stipulates that "the Bank may, subject to such terms and conditions as the Board may prescribe, make temporary advances to each Participating Government to meet its seasonal needs…". This can take the form of ECCB's direct investment in government securities, overdrafts on operating accounts and temporary advances.

The approved credit limits to participating governments for the current financial year is $847,500,000 (2024: $840,000,000). The details are presented in the table below:

	2025	**2024**
	$	**$**
Government of Saint Christopher (St Kitts) and Nevis	**163,966,000**	164,934,000
Government of Saint Lucia	**162,313,000**	164,615,000
Government of Grenada	**130,379,000**	119,036,000
Government of Antigua and Barbuda	**122,252,000**	148,933,000
Government of Commonwealth of Dominica	**120,599,000**	90,081,000
Government of Saint Vincent and the Grenadines	**94,717,000**	102,749,000
Government of Anguilla	**45,706,000**	41,353,000
Government of Montserrat	**7,568,000**	8,299,000
Total credit limit	**847,500,000**	840,000,000

The total credit available to participating governments as of 31 March 2025 amounts to $530,312,000 (2024: $560,723,000). The details are presented in the table below:

	2025	**2024**
	$	**$**
Government of Saint Christopher (St Kitts) and Nevis	**163,966,000**	164,934,000
Government of Grenada	**130,379,000**	119,036,000
Government of Commonwealth of Dominica	**99,198,000**	66,814,000
Government of Anguilla	**45,706,000**	41,353,000
Government of Saint Lucia	**42,528,000**	104,878,000
Government of Antigua and Barbuda	**23,221,000**	30,431,000
Government of Saint Vincent and the Grenadines	**17,746,000**	24,978,000
Government of Montserrat	**7,568,000**	8,299,000
Total credit available	**530,312,000**	560,723,000

24. Commitments and contingencies *(continued)*

Commitments *(continued)*

Credit limits to participating governments *(continued)*

The Board has approved a total credit limit to participating governments for the 2025/26 financial year in the amount of $817,500,000.

Contingencies

Pending litigations

The Bank is subject to various claims, disputes and legal proceedings, in the normal course of business. There are several legal claims which have been brought against the Bank. Provision is made for such matters when, in the opinion of management as advised by the Bank's Legal Counsel, it is probable that a payment will be made by the Bank, and the amount can be reasonably estimated.

In respect of claims asserted against the Bank for which, according to the principles outlined above, no provision has been made, management is of the opinion that such claims are without merit and can be successfully defended.

25. Cash and cash equivalents

	2025 $	2024 $
Money market instruments and money at call (note 6)	**587,988,600**	727,803,023
Regional and foreign currencies	**69,274,294**	166,233,126
Balances with other central banks (note 5)	**13,389,423**	1,179,342
Balances with local banks	**4,615,179**	1,074,234
Balances with foreign banks (note 5)	**100,602**	44,863
Total cash and cash equivalents	**675,368,098**	896,334,588

26. Net interest income

	2025 $	2024 $
Interest income (calculated using the effective interest method)		
Foreign investment securities (net of amortisation)	**166,888,860**	98,125,115
Money market instruments and money at call	**34,038,073**	52,085,329
Participating governments' securities and advances	**10,389,352**	9,564,632
Other interest income	**35,740**	54,297
	211,352,025	159,829,373

26. Net interest income *(continued)*

	2025 $	2024 $
Interest expense		
Demand liabilities: domestic and foreign	**9,338,632**	4,464,527
Lease liabilities	**189,127**	171,764
	9,527,759	4,636,291
Net interest income	**201,824,266**	155,193,082

27. Other income

	2025 $	2024 $
Income from banking licence fees and penalties	**3,349,945**	3,358,667
Other income	**517,266**	138,150
Rental income	**322,800**	322,800
Pension fund administrative and management fees	**226,259**	204,975
Gain on disposal of property and equipment	**50,981**	2,420
Gain on lease modification	**10,068**	18,857
Income from reserve management	**3,563**	-
Loss on foreign exchange	**(928,301)**	(939,062)
Total other income	**3,552,581**	3,106,807

Rental income results from rental of office space to associates and affiliate institutions, namely, ECHMB, ECSE and ECPCGC, which are covered by leasehold rental contracts.

28. Salaries, pensions and other staff benefits

	2025 $	2024 $
Salaries, wages and other benefits	**43,227,664**	36,896,360
Pension (note 22)	**1,912,000**	3,536,000
Vacation leave	**1,393,731**	400,436
Social security	**1,293,043**	1,224,472
Prepaid employee benefit	**7,135**	24,843
Total salaries, pensions and other staff benefits	**47,833,573**	42,082,111

29. Impairment (reversals/recoveries)/losses on financial assets, net

During the financial year, the following (gains)/losses were recognised in the statement of profit or loss in relation to impaired financial assets

	2025 $	2024 $
Impairment loss on receivables	**626,261**	3,033,260
Impairment (reversals)/losses on financial assets at amortised cost	**(106,452)**	158,753
Reversal of previous impairment losses on financial assets at FVOCI	**(73,091)**	(568,891)
Impairment recoveries on receivables	**(1,948,514)**	-
Reversal of modification loss on financial assets at amortised cost	**(6,552,558)**	-
Impairment (reversals/recoveries)/losses on financial assets, net	**(8,054,354)**	2,623,122

30. Administrative and general expenses

	2025 $	2024 $
General supplies and services	**18,001,065**	15,091,652
Derecognition of intangible asset	**5,389,505**	-
Professional, legal and consulting fees	**3,572,160**	3,954,021
Conference and meetings	**2,393,648**	1,304,374
Training, recruitment and resettlement	**2,164,373**	1,163,234
Special projects	**2,044,359**	7,547,767
Community outreach	**1,609,221**	1,069,611
Travel expenses	**1,186,773**	1,598,079
Utilities expenses	**934,750**	859,617
Other staff expenses and amenities	**926,740**	1,751,891
Telephone expense	**892,579**	853,435
Contribution to Eastern Caribbean Securities Regulatory Commission	**826,411**	842,537
Insurance expense	**728,778**	795,991
Service grant	**711,849**	605,595
Repairs and maintenance	**640,316**	626,047
Subscriptions and fees	**520,994**	378,218
Audit Fees	**500,433**	555,000
Rental expense	**184,805**	75,000
Public education and communication	**169,437**	198,913
Intervention expense	**155,442**	-
Contribution to ECCB’s staff association	**140,300**	96,256
Other expenses	**139,806**	122,875
Contribution to affiliate organisations	**64,164**	739,486
Printing and postage expenses	**29,388**	20,148
Directors' travel and other expenses	**17,501**	226,858
Total administrative and general expenses	**43,944,797**	40,476,605

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