

Schedule 2
FORM ECSRC – OR

(Select One)

QUARTERLY FINANCIAL REPORT for the period ended June 30, 2016
Pursuant to Section 98(2) of the Securities Act, 2001

OR

TRANSITION REPORT
for the transition period from _____ to _____

Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: _____ **HMB160990GR** _____

_____ **EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB)** _____
(Exact name of reporting issuer as specified in its charter)

_____ **GRENADA** _____
(Territory or jurisdiction of incorporation)

_____ **Eastern Caribbean Central Bank (ECCB) Complex, Bird Rock Road, Basseterre, St. Kitts** _____

(Address of principal executive Offices)

(Reporting issuer's: EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB))

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

Fax number: _____ **1-869-466-7518** _____

Email address: _____ **info@echmb.com** _____

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

(Provide information stipulated in paragraphs 1 to 8 hereunder)

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

CLASS	NUMBER
Class A	66,812
Class B	51,178
Class C	80,181
Class D	70,578
TOTAL	268,749

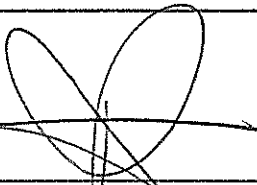
SIGNATURES

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

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

Name of Chief Executive Officer:

Mr. Randy Lewis



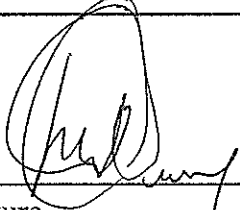
Signature

12 July 2016

Date

Name of Director:

Mr. Dexter Ducreay



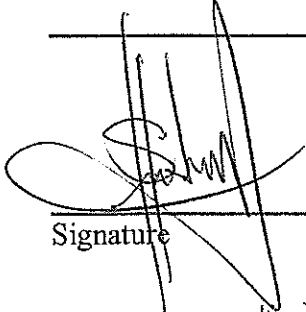
Signature

18th July 2016

Date

Name of Chief Financial Officer:

Ms. Shanna Herbert



Signature

12th July 2016

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

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

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

1. Financial Statements

a) Statement of Financial Position

Eastern Caribbean Home Mortgage Bank

Unaudited Statement of Financial Position

As at 30 June 2016

(expressed in Eastern Caribbean dollars)

	UNAUDITED June 2016 \$	UNAUDITED June 2015 \$	UNAUDITED March 2016 \$
Assets			
Cash and cash equivalents	17,172,379	1,742,139	43,428,424
Securities purchased under agreements to resell	-	21,374,726	-
Accounts receivable & prepayments	966,491	94,113	3,066,391
Investment securities	184,094,221	168,883,852	149,277,200
Mortgage loans portfolio	41,612,319	59,809,066	51,806,819
Available for sale investment	100,000	100,000	100,000
Motor vehicle and equipment	302,001	194,673	132,227
Intangible assets	3,926	13,348	6,281
Total assets	<u>244,251,337</u>	<u>252,211,917</u>	<u>247,817,342</u>
Liabilities			
Borrowings	184,973,638	179,588,634	189,552,982
Other liabilities and accrued expenses	536,687	14,453,177	150,756
Dividends Payable	-	-	-
Total liabilities	<u>185,510,325</u>	<u>194,041,811</u>	<u>189,703,738</u>
Shareholders' equity			
Share Capital	36,999,940	36,999,940	36,999,940
Reserves	8,962,834	8,865,029	8,962,834
Retained Earnings	12,778,238	12,305,137	12,150,830
Total shareholders' equity	<u>58,741,012</u>	<u>58,170,106</u>	<u>58,113,604</u>
Total liabilities and shareholders' equity	<u>244,251,337</u>	<u>252,211,917</u>	<u>247,817,342</u>

Eastern Caribbean Home Mortgage Bank

Unaudited Statement of comprehensive Income

Three months ended 30 June 2016

(expressed in Eastern Caribbean dollars)

	UNAUDITED		UNAUDITED
	Three Months ended		Year ended
	30-Jun-16	30-Jun-15	31-Mar-16
Interest Income	2,777,745	3,177,049	12,423,570
Interest expenses	<u>(1,572,785)</u>	<u>(1,982,505)</u>	<u>(6,523,972)</u>
Net interest income	1,204,960	1,194,544	5,899,598
Other operating income	79,098	24,871	40,439
Mortgage administration fees	<u>(45,698)</u>	<u>(147,467)</u>	<u>(532,044)</u>
Operating income	<u>1,238,360</u>	<u>1,071,948</u>	<u>5,407,993</u>
Expenses			
General and administrative expenses	(468,825)	(410,799)	(1,685,089)
Other operating expenses	<u>(142,126)</u>	<u>(120,787)</u>	<u>(1,218,262)</u>
Total operating expenses	<u>(610,951)</u>	<u>(531,586)</u>	<u>(2,903,351)</u>
Total comprehensive income	<u>627,409</u>	<u>540,362</u>	<u>2,504,642</u>

Eastern Caribbean Home Mortgage Bank

Statement of Changes in Equity

Period ended 30 June 2016

(Expressed in Eastern Caribbean dollars)

	<u>Share Capital</u>	<u>Building Reserve</u>	<u>Portfolio Risk Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Balance at 31 March 2015	36,999,940	-	8,865,029	11,759,611	57,624,580
Changes in equity for 2015:					
Dividends	-	-	-	-	-
Total comprehensive income for the three months	-	-	-	540,362	540,362
Balance at 30 June 2015	<u>36,999,940</u>	<u>-</u>	<u>8,865,029</u>	<u>12,299,973</u>	<u>58,164,942</u>
Balance at 31 March 2016	36,999,940	-	8,962,834	12,150,830	58,113,604
Changes in equity for 2016:					
Dividends	-	-	-	-	-
Total comprehensive income for the three months	-	-	-	627,409	627,409
Balance at 30 June 2016	<u>36,999,940</u>	<u>-</u>	<u>8,962,834</u>	<u>12,778,239</u>	<u>58,741,013</u>

Eastern Caribbean Home Mortgage Bank

Unaudited Statement of Cash Flows

For the three months ended 30 June 2016

Expressed in Eastern Caribbean dollars

AUDITED 31-Mar-16		UNAUDITED Jun-16	UNAUDITED Jun-15
	Cash flows from operating activities		
2,504,642	Net profit for the year	627,409	540,362
	<i>Items not affecting cash:</i>		
6,523,972	Interest expense	1,572,785	1,982,505
643,294	Amortisation: Bond issue costs and transaction costs	165,429	121,349
86,331	Depreciation	17,508	23,885
9,422	Amortisation: Intangible assets	2,354	2,354
-	(Gain)/loss on disposal of equipment	(36,905)	-
(12,423,570)	Interest income	(2,777,745)	(3,182,427)
(2,655,909)	Operating loss before working capital changes	(429,165)	(511,972)
	Changes in operating assets and liabilities:		
(2,822,178)	(Increase)/decrease in receivables and prepayments	(1,916,242)	353,712
(122,311)	Decrease in accrued expenses and other liabilities	273,291	14,180,109
(5,600,398)	Cash used in operations before interest	(2,072,116)	14,021,849
12,271,720	Interest received	5,603,520	5,798,549
(6,214,463)	Interest paid	(3,662,079)	(1,848,301)
456,859	Net cash (used in)/generated from operating activities	(130,675)	17,972,097
	Cash flows from investing activities		
43,683,370	Proceeds from maturity of investment securities	-	-
21,374,726	Proceeds from principal repayment on securities purchased under agreement to resell	-	-
17,401,482	Proceeds from the pool of mortgages repurchased by primary lenders	10,635,469	17,401,482
8,679,162	Increase in mortgages repurchased/replaced	1,194,854	1,443,544
3,949,392	Proceeds from principal repayment on mortgages	(68,429)	628,171
-	Proceeds from disposal of equipment/ motor vehicle	105,000	-
-	Purchase of intangible assets	-	-
(3,256,555)	Purchase of mortgages	-	-
-	Purchase of motor vehicle and equipment	255,377	-
(43,908,515)	Purchase of investment securities	(33,800,738)	(23,350,177)
47,923,062	Net cash from/(used in) investing activities	(21,678,467)	(3,876,980)
	Cash flows from financing activities		
87,637,700	Proceeds from bond issues	60,000,000	-
(658,919)	Payment for bond issue costs	(105,000)	(184,115)
(1,865,618)	Dividends paid	-	-
(10,658,097)	Repayment of borrowings	(4,341,903)	(750,000)
(87,637,700)	Repayment of bonds	(60,000,000)	(19,650,000)
(13,182,634)	Net cash used in financing activities	(4,446,903)	(20,584,115)
35,197,287	Decrease in cash and cash equivalents	(26,256,045)	(6,488,998)
8,231,137	Cash and cash equivalents at beginning of year	43,428,424	8,231,137
43,428,424	Cash and cash equivalents at end of year	17,172,379	1,742,139

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

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

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

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

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

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

General Discussion and Analysis of Financial Condition

1.0 Management Analysis for Quarter ended 30 June 2016 **Financial Results 2016/17**

- 1.1 It is to be noted that the ECHMB principal activity is the purchase of mortgages on the secondary market, thereby providing liquidity to Primary Lenders (PLs).
- 1.1.2 Consistent with FY 2014 and FY 2015, PLs reported low growth in their loans portfolio in FY 2016. This contributed to the retention of high liquidity in the banking system of the Eastern Caribbean Currency Union (ECCU) and hence, precluded the need for PLs to access funding on the secondary mortgage market to bankroll grow in their mortgage portfolio. Faced with excess liquidity and limited bankable loans, PLs augmented their interest income by repurchasing their pools of mortgages from the ECHMB. During the quarter ended 30th June 2016, PLs repurchased mortgages totaling \$11.79M.
- 1.1.3 The ECHMB had to manage significant cash inflows, in an environment characterized by high liquidity and declining yields on cash and investments. Challenged by these adverse headwinds, the Board of Directors and Management focused on those factors which the ECHMB could influence. As a result of a

proactive approach, the ECHMB generated a Net Profit for the three (3) Months ended 30th June 2016 of \$0.627M compared with \$0.540M of the comparative period of 2015. Return on Total Assets improved from 0.87% for the quarter ended 30th June 2015 to 1.03% for the quarter ended 30th June 2016.

(EC\$ in thousands, except as noted)

For three (3) Months -30 June 2016

	2016	2015
Interest Income	2,777.7	3,177.0
Interest expense	(1,572.8)	(1,982.5)
Net interest income	1,204.9	1,194.5
Other income	79.10	24.9
Operating Income	1,284.06	1,219.4
Non-interest expenses	(656.65)	(679.1)
Net profit for the three (3) Months	627.41	540.3
Key Performance Metrics		
Net interest income percentage	43.38%	37.60%
Return on total assets (Annualized)	1.03%	0.87%
Interest cover ratio	0.60	0.73
Debt-to-equity ratio	3.16:1	3.26:1
Earnings per share \$(Annualized)	9.34	8.04
Book value per share (\$)	218.57	216.45
Mortgage loans portfolio	41.61	59.81
Borrowings	184.97	179.59
Assets under management	244.25	252.21
Full time employees	6	6

1.2 Interest Income

- 1.2.2 The mortgage market in the ECCU is likely to remain “soft” for the foreseeable future and hence, high liquidity is likely to remain a feature of the banking system. It is therefore conceivable that PLs will not be required to access the secondary mortgage market to fund growth in their mortgage loans portfolio. As these conditions persist on the primary market, the secondary market is likely to remain fragile. The high liquidity in the banking system will also induce financial intermediaries to lower the coupon rate offered on customers’ deposits. The aforementioned factors have combined to trigger the diminution in ECHMB’s Interest Income.

1.2.3 As illustrated in the Table below, Income from the Mortgage Loans Portfolio has declined by 28.66% from \$1.39M in the quarter ended 30th June 2015 to \$0.99M in the quarter ended 30th June 2016. Likewise, Income generated from Term Deposits and Call Accounts has decline by 26.26% and 223.0% respectively.

(EC\$ in thousands, except as noted) For three (3) Months -30 June 2016	Change from 2015		
	2016	2015	%
Mortgage Loans portfolio	993	1,392	-28.66%
Interest on bonds	717	515	39.22%
Term deposits	907	1,229	-26.26%
Call account	4	(3)	-223.00%
Treasury bills	103	43	138.45%
Mortgage credit facility	52	-	100.00%
	2,776	3,177	-12.62%

1.2.4 In response to these adverse trends in the market, the ECHMB introduced a new Strategic Plan for the period 2017-2020 (“the Strategic Plan”). The Strategic Plan is designed to:-

- Reposition the Bank to securing best fit in the changing financial landscape of the ECCU
- Place emphasis on growth, efficiency and building shareholders’ wealth
- Diversify the Bank’s assets and capital
- Focus on achieving our critical success factors
- Build the Bank’s reputation as the employer of choice

This strategic realignment of the Bank is imperative in order to exploit the unique opportunities presented in the current financial environment in the ECCU. As showed in the table above, the ECHMB is already reaping the benefits:-

- Income from bonds has increased by 39.22% from \$0.515M in the quarter ended 30th June 2015 to \$0.717M in the quarter ended 30th June 2016.
- Income from Treasury Bills has increased by 138.45% from \$43.0K in the quarter ended 30th June 2015 to \$0.103M in the quarter ended 30th June 2016.
- The ECHMB has introduced Mortgage Credit Facility which has generated \$52.0K in interest income.
- As a result of the Bank strategic shift, Total Income has declined by 12.62% for the quarter ended 30th June 2016 when compared to the corresponding period of 2015. It is to be noted that Total Assets under Management declined from \$252.21M for the quarter ended 30th June 2015 to \$244.25M for the quarter ended 30th June 2016.

1.3 Interest Expense

1.3.3 The ECHMB has commenced the process of deleveraging the statement of financial position by repaying \$9.60M of the borrowings from the Caribbean Development Bank (“CDB”). In addition, the restrictive covenants imbedded in the CDB borrowing had the potential to derail the implementation of many of the initiatives outlined in the Strategic Plan. The debt repayment resulted in an improvement in our Debt-to-Equity Ratio from 3.26:1 for the quarter ended 30th June 2015 to 3.16:1 for the quarter ended 30th June 2016.

1.3.4 The ECHMB continued to reap the benefits from the decision to issue corporate paper for tenures up to 365 days as opposed to longer tenure corporate bonds. During the first quarter of 2016/17 financial year, the ECHMB issued two (2) corporate papers with a cumulated face value of \$60.0M at coupon rates of 2.0% and 1.998% respectively. This resulted in a decline in the weighted average cost of debt (WACD) from 3.10% in 2015 to 3.02% as at 30 June 2016. As a result of the lower WACD, Interest Expense declined by \$410K (20.69%).

(EC\$ in thousands, except as noted)	Change from 2015		
For three (3) Months -30 June 2016	2016	2015	%
Bonds in issue	1,573	1,844	-14.69%
CDB loan	-	139	-100.00%
	1,573	1,983	-20.67%

1.4 Net Interest Income

1.4.1 Net Interest Income or the difference between Interest Income (\$2.776K) and Interest Expense (\$1,573K) was reported at \$1,203K or 43.34% compared with \$1,194K or 37.60% in 2015. The lower Net Interest Income was attributed to lower funding costs.

(EC\$ in thousands, except as noted)	Change from 2015		
For three (3) Months -30 June 2016	2016	2015	%
Interest Income	2,776	3,177	-12.62%
Interest expense	(1,573)	(1,983)	-20.67%
Net Interest income	1,203	1,194	0.73%
Net interest income percentage	43.34%	37.60%	5.75%

1.5 Non-Interest Expenses

- 1.5.1 Non-interest Expenses \$0.657M was 3.29% lower than the 2015 outturn of \$0.659M. The savings were mainly achieved in Mortgage Administration Fees and Foreign Exchange losses.

(EC\$ in thousands, except as noted)			Change from 2015
For three (3) Months -30 June 2016	2016	2015	%
Salaries and related costs	327	301	8.45%
Mortgage Administration fees	46	147	-69.01%
Foreign exchange loss	-	6	-100.00%
Promotion	47	31	53.77%
Administrative	95	79	20.51%
Corporate governance	142	115	23.40%
	657	679	-3.29%

2.0 Projected Outcome 2016/17

- 2.1 On the asset side of the statement of financial position, ECHMB continue to reduce investments in institutions held under conservatorship by the Eastern Caribbean Central Bank and have eliminated most of the concentration risk in our investment portfolio. ECHMB commenced the process of reviewing Investment Policy Statement with the intent to broaden the instruments and markets in which it trade.
- 2.2 The current results show that the ECHMB is on course to exceed its budgeted Net Profit for the year of \$2.74M for FY 2016/17.

3.0 Statement of Financial Position

- 3.1 In an effort to optimize costs and resources across the Bank, Assets under Management were reduced from \$252.70M in 2015 to \$244.64M as at 30th June 2016; this resulted in an improvement in the weighted average return on assets from 3.65% in 2015 to \$3.12% in 2016.
- 3.2 During the 2016 financial year, the ECHMB repaid long-term loan of US\$4.0M on the CDB Borrowings; as a result, Borrowings declined from \$194.52M in 2015 to \$185.90M in 2016. The Bank's Debt to Equity improved from 3.26:1 in 2015 to 3.16:1 in 2016. The ECHMB Cash & Investments amounts to \$201.27M (82.3%) of ECHMB's Assets under Management. The ECHMB therefore has sufficient resources to meet all current obligations.

Liquidity and Capital Resources

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

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

Discussion of Liquidity and Capital Resources

There were no major trends, commitments, demands or events that materially affected the liquidity situation of ECHMB.

Off Balance Sheet Arrangements

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

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

Not applicable

Results of Operations

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

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

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

Refer to Management Analysis.

3. Disclosure about Risk Factors.

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

No events which meet the criteria stated above occurred during the period under review.

4. Legal Proceedings.

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

There were no pending legal matters.

5. Changes in Securities and Use of Proceeds.

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

Not applicable.

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

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

Not applicable

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

Not applicable

- Name and address of underwriter(s)

Not applicable

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

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

Not applicable

- Payments to associated persons and the purpose for such payments

Not applicable

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

There are no working capital restrictions or other limitations.

6. Defaults upon Senior Securities.

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

ECHMB has not defaulted on any of its payment obligations.

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

Not applicable

7. **Submission of Matters to a Vote of Security Holders.**

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

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

None during the period under review.

at the meeting and the name of each other director whose term of office as a director continued after the meeting.

None during the period under review.

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

None during the period under review.

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

None during the period under review.

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

None during the period under review.

8.

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

None during the period under review.

