



RATING RELEASE

October 1, 2026

CariCRIS reaffirms 'good creditworthiness' ratings of Eastern Caribbean Home Mortgage Bank

***CariA-* (Regional Scale Foreign and Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the Issuer/Corporate Credit Ratings assigned to Eastern Caribbean Home Mortgage Bank (ECHMB or the Company) at *CariA-* (Foreign and Local Currency Ratings) on the regional rating scale. These ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean, is **good**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on the high likelihood that ECHMB will remain profitable over the next 12 to 15 months, albeit at a lower level, and continue to demonstrate good asset quality, underpinned by its somewhat diverse investment portfolio. Additionally, the Company's healthy capitalisation and liquidity are expected to continue to support the stability of its financial risk profile.

ECHMB's ratings continue to reflect its good asset quality, underpinned by its somewhat diversified investment portfolio with good credit quality of securities. Also supporting the ratings are the Company's continued profitability and good liquidity and capitalisation levels, with favourable coverage of total assets. Furthermore, ECHMB continues to maintain good risk management and governance practices, guided by continually updated policies. These rating strengths are, however, tempered by exposure to financial risks arising from economic conditions in the Organisation of Eastern Caribbean States (OECS).

Rating Sensitivity Factors:

Factors that could, individually or collectively, lead to an improvement in the Ratings and/or Outlook include:

- An increase in net interest spread to at least 2% sustained for 3 financial years
- Further diversity in income streams through the successful launch of new products, investments, and services
- An increase in return on earning assets (ROEA) to at least 2%, sustained for 3 financial years
- An increase in Tangible Net Worth (TNW) to Total Assets to at least 25%, sustained for 3 financial years

Factors that could, individually or collectively, lead to a lowering of the Ratings and/or Outlook include:

- A tightening of net interest spread to below 1%
- A decline in ROEA to less than 1% sustained for 3 financial years.
- TNW to Total Assets below 12%

About the Company:

Eastern Caribbean Home Mortgage Bank (ECHMB or the Company) was created pursuant to the ECHMB Agreement Act (1995) and commenced operations on April 22, 1996. The Company is a privately managed corporation, and the current 63 shareholders are all financial institutions from the Organisation of Eastern Caribbean States (OECS) and the wider Caribbean. These financial institutions include the Eastern Caribbean Central Bank (ECCB), commercial banks, social security agencies, insurance companies, mortgage companies, building and loan associations, and credit unions. ECHMB's single largest shareholder is the ECCB, which currently holds 24.9% of the Company's total shareholding.

ECHMB was established with the primary objective of developing the secondary mortgage market within 8 participating member countries of the OECS, namely Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines. The main activity of the Company was traditionally the purchase and sale of mortgages to develop and maintain

a secondary market for residential mortgages in the member territories. In FY2016¹, following years of deteriorating mortgage market conditions, ECHMB expanded its mandate to become more relevant to the changing external environment. Given its considerably increased cash and investment portfolio relative to its mortgage assets, the Company placed greater emphasis on the investment side of the business. This was supported by broadening the range of financial assets in which it can invest and simultaneously increasing the permissible jurisdictions for its investments to include the wider Caribbean region and the United States. In December 2024, the Company's wholly owned subsidiary, ECHMB Financial Services Limited (ECHMBFSL or the Subsidiary), was incorporated and domiciled in Grenada to provide broker/dealer services.

For more information on ECHMB's ratings, please visit www.caricris.com or contact:

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¹ Financial Year (FY) refers to April 1 to March 31.