

Schedule 1

FORM ECSRC – K

ANNUAL REPORT

PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, CAP. 21.16

For the financial year ended
September 30, 2019

Issuer Registration number
NCB 12101979 GR

Republic Bank (Grenada) Limited

(Exact name of reporting issuer as specified in its charter)

Grenada

(Territory of incorporation)

Republic House, Maurice Bishop's Highway, Grand Anse, St. George, Grenada

(Address of principal office)

Reporting issuer's:

Telephone number (including area code): (473) 444-2265

Fax number: (473) 444-5501

Email address: headoffice@republicgrenada.com

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, Cap. 21.16 during the preceding 12 months

Yes ☒

No ☐

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
Common Stock	1,627,673

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:

Keith A. Johnson

SIGNED AND CERTIFIED

January 2020

Date

Name of Director:

Leon Charles

SIGNED AND CERTIFIED

January 2020

Date

Name of Chief Financial Officer:

Elizabeth Richards-Daniel

SIGNED AND CERTIFIED

Signature

January 2020

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. Business.

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

As at September 2019, the Bank achieved a major milestone by attaining one billion in total assets. Total assets increased by 6.25% or \$59.55 million to \$1.01 billion from \$952.04 million in 2018 fueled by the \$57.87 million or 7.1% increase in customer deposits. The major changes in the composition of assets during the fiscal were recorded in Liquid assets and loans. Liquid assets increased by 34.60% or \$35.19 million to \$136.87 million from \$101.69 million in 2018 and the gross loan portfolio increased by \$21.37 million or 4.47% to \$499.10 million from \$477.73 million in 2018.

During the financial year, the non-performing loan portfolio continued to decline and decreased by a further 26.90% or \$4.89 million to \$13.31 million from \$18.21 million in 2018. As a result, the non-performing loans ratio decreased to 2.67% from 3.81% at the end of fiscal 2018. This is the fifth consecutive year the Bank experienced a decrease in this ratio after peaking at 10.44% in 2014, and remained within the ECCB's benchmark of 5%.

Republic Financial Holdings Limited, our parent company continues with the process of an IT Consolidation across all its subsidiaries. The planned conversion date for Republic Bank (Grenada) Limited is now scheduled for the fourth quarter of fiscal 2020.

As previously reported, Republic Financial Holdings Limited (RFHL), the majority shareholder of Republic Bank (Grenada) Limited, entered into an agreement to acquire the banking operations of the Bank of Nova Scotia in nine regional territories, including Grenada. The agreement signaled the commencement of a transaction that is subject to all regulatory and other customary approvals and conditions.

This transaction was completed in the first quarter of fiscal 2020, with Republic Bank Grenada Limited acquiring the two Scotiabank branches in Grenada.

2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed off since the beginning of the financial year for which this report is filed.

The Bank owns freehold properties in:

Grand Anse

Town of St. George

Gouyave

Leasehold interest is held for properties in:

Grenville, St. Andrew

Sauteurs, St. Patrick

Carriacou

Carenage, St. George's

Grand Anse, St. George

Cruise Port, St. George

All properties are utilized as offices of the Bank thus enabling our products and services to be widely distributed geographically.

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

As at September 30, 2019, there were certain legal proceedings outstanding against the Bank. Professional advice indicates that it is unlikely that any significant loss will arise. (See attached Pending Litigation Report from Renwick & Payne).

4. 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.

December 13, 2018 - Annual Meeting

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

The Directors elected at the Annual Meeting were:
Mr. Graham Williams, Ms. Isabelle Slinger and Mr. Christopher Husbands

- (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.

1. Financial Statements
 - The Chairman spoke on the Bank's performance during the year
2. Re-Appointment of Auditors and Fixing of their Remuneration
 - PKF was re-appointed Auditors of the Bank to hold office until the conclusion of the next Annual Meeting, and the remuneration fixed by the Directors.

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

Not Applicable

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

Not Applicable

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

Not Applicable

6. Financial Statements and Selected Financial Data.

Provide Audited Financial Statements, which comprise the following:

For the most recent financial year

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.

7. 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.

The Bank manages a variety of risks in the ordinary course of business. As at September 30, 2019 the major risks associated with its business are listed below.

- 1 Customer expectations / preferences
- 2 Interest
- 3 Regulatory Compliance
- 4 Talent management / Succession Planning
- 5 Liquidity

Customer expectations/preferences

The risk that RBGD may not recognize new or evolving customer expectations driven by factors such as economic trends, technological advancements, demographic patterns and cultural concerns, etc. which can result in dissatisfied customers and potential loss of customers to competitors.

The risk of customer loss continue to exist due the RBGD's inability to provide new products for example IDC and mobile banking. The greater percentage of the population are millennials who are interested in advanced technology and meeting them where they are. Also the Bank is not meeting customers expectations regarding Internet Banking and not being able to keep up with market trends.

While the Bank continue to hold its share in the market it is continuously faced with challenges from the competitors offering more attractive packages. The Bank needs to adequately market its products and services to meet growth and profitability as well as keep abreast with the current market dynamics to minimize financial losses and loss of market share.

Interest

The risk that RBGD does not plan for or manage the impact of fluctuating interest or inflation rates which may impact future cash flows or the fair values of financial instruments.

Unfavorable price paid per unit of funds borrowed per year or unfavorable rates of return received on invested assets can result in financial losses for RBGD. This also includes the risk of higher interest rates that would result in increase in bad debts

The pressure on rates for loans continues to weigh on the Bank's net interest spread. As at September 30, 2019, yield on the performing portfolio decreased to 6.68% from 6.87% as at September 30, 2018.

During fiscal 2019, the total loan portfolio increased by \$21M. There was an \$35M increase in the 5.0%-5.99% interest rate bucket, an \$11M increase in the 6.00% to 6.99% interest rate bucket and a \$26M decrease in the 7.0% to 10.99% interest rate buckets mainly due to continued aggressive competition.

The Asset/Liability Committee reviews on a monthly basis the non-credit and non-operational risks for the Bank. The primary tools currently in use are gap analysis and and exposure limits for both assets and liabilities. As a September 30, 2019 the EC Gap is negative \$89 million while there is a positive US Gap of \$417 million. The combined gap for all currencies is positive \$332 million.

Regulatory Compliance

The risk that RBGD is unable to reasonably identify risks posed by customers and employees and inadvertently facilitate the banking of illegally or fraudulently gained funds, terrorist financing or tax evasion that may lead to violation of the AML/CFT and FATCA or global variations of these regulations.

During the last quarter of fiscal 2019 the Bank became aware that there was a possibility that a percentage of High Risk accounts were not reviewed. During the last Internal Audit it was revealed that a number of high risk accounts on the system carried expired review dates. Compliance department has since done an assessment and determined by review dates not maintained that approximately 33% of High Risk accounts may not have been reviewed or if they were reviewed; maintenance was not done to the accounts.

In light of the above the Manager Compliance has since communicated to the Branch Managers and they are working assiduously to complete all the reviews.

All the other compliance metrics continues to be in line with the Bank's risk appetite.

Talent Management/Succession Planning

The risk that RBGD cannot satisfactorily fill a vacancy in a critical role across the Group within an acceptable timeframe. This may impede the execution of defined strategic objectives.

There were instances reported by a few units that they were unable to achieve their objectives due to staff shortage or what they deemed to be inadequately staff units. Relief was not provided by the Bank when employees are on vacation or when staff members are out on leave. This has caused other staff having to "double-up" which resulted in errors, overtime and delay of projects. Product revamp activities by Marketing on Right Start and Major League has been delayed which is one of the Bank's key strategy.

There can be errors including compliance slip ups by overstretched staff due to branches operating with reducing staff complements, at times using peak timers to fill full time positions and continuous regulatory requests combined with business changes posing a significant risk. This can lead to declining employee morale, inability to retain key talent and operational inefficiencies including inaccurate information being reported and non-adherence to the Bank's requirements.

Liquidity Risk

Liquidity risk is defined as the risk of the Bank not having sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost. Liquidity management is designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. A substantial portion of the bank is funded with "core deposits". The Bank continually balances the need for short-term assets which have lower yields, with the need for higher asset returns. During fiscal 2019, the net liquid asset ratio increased to 52.22% from 50.26% as at September 30, 2018, well in excess of the prudential requirement of 20%. Of the 52.22% net liquid asset ratio as at September 30, 2019, 12.12% represents un-invested funds compared to 7.32% of the 50.26% as at September 30, 2018.

There continue to be challenges from unavailability or lack of adequate investment options to increase cash and/or capital to support operations and increase income. There are present controls in place to mitigate risks associated with investments/security holdings.

The primary tool used to measure liquidity risk is the liquidity Gap. While there is a negative interest rate EC gap this is mitigated by a positive US gap. As a September 30, 2019 the EC Gap is negative \$49 million while there is a positive US Gap of \$347 million. The combined gap for all currencies is positive \$351 million.

8. 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

- (b) 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)

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

- Name and address of underwriter(s)

- Amount of expenses incurred in connection with the offer _____

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

- Payments to associated persons and the purpose for such payments

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

The Bank has no working capital restrictions or other limitations other than the restriction required under section 44 of the Banking Act of 2015.

9. 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 percent 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.

None

- (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.

10. 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 financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

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

As at September 2019 total assets increased by 6.25% or \$59.55 million to \$1.01 billion from \$952.04 in 2018 fueled by the \$57.87 million or 7.1% increase in customer deposits. The major changes in the composition of assets during the fiscal were recorded in Liquid assets and loans.

Liquid assets increased by 34.60% or \$35.19 million to \$136.87 million from \$101.69 million in 2018. Due from Banks increased by \$33.99 million with \$13.5 million an increase in fixed deposits.

The gross loan portfolio increased by \$21.37 million or 4.47% to \$499.10 million from \$477.73 million in 2018, reflective of the 3.48% growth experienced by the market for the period June 2018 to June 2019. This increase was primarily the result of the continuous growth in the economy. Mortgages increased by \$23.02 million or 6.12%. Of this growth, 71.45% was attributable to corporate and commercial mortgages, and 28.55% to retail mortgages.

The non-performing loan portfolio continued to decline and decreased by a further 26.90% or \$4.89 million to \$13.31 million from \$18.21 million in 2018. As a result, the non-performing loans ratio decreased to 2.67% from 3.81% at the end of fiscal 2018.

The ratio of stage 3 expected credit loss (ECL) to non-performing loans moved to 16.89% from 17.03% in 2018 reflecting the strong quality of the Bank's collateral.

The investments portfolio recorded a slight increase of \$1.97 million or 0.7% during the fiscal. Although the increase was minimal, we were able to acquire investments from the international markets and reinvest the \$52.93 million which matured during the year.

The Bank's top 20 borrowers represented 31.93% of total loans as at September 30, 2019 an increase from 30.67% as at September 30, 2018.

During the period September 2018 to September 2019 both the market and the Bank experienced an increase in loans of 1.44% and 4.56% respectively. As a result market share for loans increase from 28.18% as at September 2018 to 29.04% as at September 30, 2019.

Customer deposits increased by \$57.87 million or 7.1% to \$871.26 million from \$813.39 million in 2018. Demand deposits, which are non-interest earning, accounted for 55.14% of the increase, and this contributed to the containment of interest expense.

The market also experienced increase in deposits. During the period September 2018 to September 2019, both the market and the Bank deposits increased by 5.82% and 7.31% respectively. The Bank's increase was 33% of the \$178M increase in the market resulting in an increase in market share from 26.65% to 27.02% during the said period.

The Bank's top 10 deposit customers represented 22.27% of total deposits as at September 30, 2019, an increase from 21.05% as at September 30, 2018. While the % is still in excess of the 15% target for the Customer Dependency ratio, the liquidity ratio of 52.22% is 32.22% more than the statutory requirement of 20%, which fully covers the top 10 were they to withdraw their funds without notice.

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.
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Discussion of Liquidity and Capital Resources

During the fiscal to September 30, 2019, the net liquid asset ratio increased to 52.22% from 50.26% as at September 30, 2018, well in excess of the prudential requirement of 20%. Of the 52.22% net liquid asset ratio as at September 30, 2019, 12.12% represents un-invested funds compared to 7.32% of the 50.26% as at September 30, 2018.

We continue to seek from our our Head Office, suitable investment opportunities as a way of managing the excess liquidity.

The Bank's policy is to maintain a prudent relationship between capital resources and the risks of its underlying business. Shareholders' equity stood at \$118.31 million as at September 30, 2019, an increase of \$4.20 million during the fiscal. The increase in equity was due to profits of \$10.44 million offset by dividends paid during the year of \$3.83 million and a reduction of \$2.41 million in defined benefit reserve.

Capital adequacy is monitored by employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the Eastern Caribbean Central Bank for supervisory purposes. The risk-based capital guidelines require a minimum of core capital (Tier 1) to risk-weighted assets of 4%, with a minimum total qualifying capital (Tier 2) to risk-weighted assets of 8%.

As at September 30, 2019, the Bank exceeded the minimum levels required, with Tier 1 capital to risk-weighted assets of 13.47% and total qualifying capital to risk-weighted assets of 13.64 %. These ratios exceed the prudential guidelines, as well as the Bank's internal benchmark of 12%.

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.

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,

Overview of Results of Operations

For the year ended September 30, 2019, the Bank recorded net profit after tax of \$10.44 million, an increase of 32.49% or \$2.56 million from the \$7.88 million recorded in fiscal 2018. This improvement was largely the result of an increase in net interest income of \$2.52 million and a credit recovery on financial assets of \$1.46 million. However, these were partly offset by a reduction in other income of \$0.68 million primarily due to a reduction in commissions and an increase in operating expenses of \$0.62 million, in preparation for expansion and upgrades.

The Bank's principal performance indicators continued to improve in fiscal 2019. Return on average assets (ROA) increased to 1.07% from 0.84% and return on average equity (ROE) to 9.00% from 7.09%. Earnings per share increased to \$6.41 from \$4.84 in 2018 in line with the increase in profits.

During fiscal 2019, interest income increased by \$3.07 million, or 7.13% to \$46.14 million. There were increases in interest on loans, investments and liquid assets.

Market pressures continue to force lending rates down, with the average rate for 2019 declining to 6.68% from 6.87% the previous year. Nevertheless, interest income on loans increased by 3.77% or \$1.25 million during the fiscal primarily due to the \$26.46 million or 5.77% increase in the performing loan portfolio

While the investment portfolio only increased by \$1.97 million, the average portfolio for 2019 was \$19.5 million more than the previous year resulting in an increase in interest income on investments of \$1.045 million or 11.94%. In addition, some investments which matured during the year, were reinvested at higher yields, thereby contributing to the increase in income.

The Bank utilizes excess liquidity within its risk appetite as a means of increasing interest income. During the fiscal, interest income on liquid assets increased by \$0.77M or 66.15%, as we increased our holdings in short term interest earnings assets such as fixed deposits with other banks. Higher yields on Treasury Bills also boosted this revenue line.

Although customer deposits increased by \$57.87 million or 7.1%, interest expense increased at a lower rate - 5.58% (or \$0.55 million) to \$10.38 million from the \$9.83 million recorded in 2018, as the portfolio diversified further. Demand deposits accounted for 55.12% or \$32.33 million of the growth.

Other income of \$11.97 million in 2019 was \$0.68 million or 5.58% lower than the 2018 earnings of \$12.66 million. This was primarily due to a reduction in commissions and recoveries on written off debt.

Operating expenses increased by 1.74% or \$0.62 million to \$36.34 million from \$35.72 million in 2018, in line with inflation. This was primarily due to an increase of \$0.27 million in staff costs, and an increase in general administrative expense of \$0.46 million.

For fiscal 2019, there was a credit recovery on financial assets of \$1.28 million mainly due to a \$2.36 million reduction in provisions held on previously restructured bonds partly offset by an increase in loan loss provision of \$0.61 million.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

None

12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1 (a) for each director and executive officer*)

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K 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.

None

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

2019 Annual report (previously submitted)

Pending Litigation

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Gregory I. Thomson Position: Chairman
Age: 67
Mailing Address: 42 The Park, La Horquette, Glencoe, Trinidad, W.I.

Telephone No.: 868 620-6683

List jobs held during past five years (include names of employers and dates of employment).

- Central Bank of Trinidad & Tobago - Credit Risk Specialist - Mar 2013-Mar 2014
- Trinidad & Tobago Unit Trust Corporation - Executive Advisor, Investments - Jul. 2013 - Nov. 2014
- Republic Bank Limited - Director - Aug.1, 2014 - present
- Republic Financial Holdings Limited - Director - Dec.16, 2015 - present
- One Caribbean Media Ltd - Director - June 2016 – present
- Republic Bank (Grenada) Limited – Chairman – December 2017 - present

Give brief description of **current** responsibilities

As a Director of the Boards of both Republic Bank Limited (RBL) and Republic Financial Holdings Limited (RFHL), the current responsibilities are to provide leadership, enterprise, integrity, and good judgement in guiding the Group to achieve growth and deliver long term sustainable shareholder value. The Board sets the strategic objectives for the Group and provides oversight and control. Implementation of the strategy is delegated to management under the leadership of the Managing Director of RBL and President of RFHL.

Education (degrees or other academic qualifications, schools attended, and dates):

- B.Sc (Maths & Physics) - University of the West Indies, St Augustine - 1974
- MBA - University of Western Ontario, Canada – 1987

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DIRECTORS OF THE COMPANY

Name: Graham Williams Position: Director

Age: 55

Mailing Address: P.O. Box 575, St. George's, Grenada

Telephone No.: (473) 443-5477/5423

List jobs held during past five years (include names of employers and dates of employment).

- Director of Island Ice Co. Ltd (1995 to present)
- Managing Director and Chairman of Westerhall Estate Ltd. (1986 to present)
- Chairman of the BOD - Umbrella Beach Bar Ltd (2010 to present)
- Executive Director of Renegade Rum Distillery Group Ltd. (2016 to present)
- Chairman of the BOD - Guardian General Insurance OECS Ltd. (2017 to present)

Give brief description of **current** responsibilities

- Westerhall Estate Ltd.
Manage the overall daily administration of the company.
As Chairman, report to the directors and secretary of the company quarterly.

Education (degrees or other academic qualifications, schools attended, and dates):

B.A. Economics - University of Windsor, 1985

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DIRECTORS OF THE COMPANY

Name: Karen Yip Chuck Position: Director
Age: 51

Mailing Address: C/O Republic Bank Limited
9 – 17 Park Street, Port-of-Spain, Trinidad

Telephone No.: (868) 625-4411

List jobs held during past five years (include names of employers and dates of employment).

Republic Bank Limited:-

- General Manager, Trust & Asset Management Division (January 1, 2011 to June 30, 2014)
- General Manager, Wealth Management (July 1, 2014 to February 10, 2016)
- General Manager, Corporate & Investment Banking (February 11, 2016 to Present)•

Give brief description of **current** responsibilities

- Oversee Operations of all Corporate Business Centres, North, South and East/Central Regions
- Oversee Operations of the Investment Banking Division
- In conjunction with Executive Director and Regional Corporate Managers, seek new Business from existing and new Corporate customers re Investments and Loans facilities
- Make presentations to the Executive Director and RBL Board in light of New Business/Investments
- Approve Loan facilities of substantial value exceeding the Corporate Centres limits for customers business re Construction, Investment, Operation of Businesses (Local and Foreign). Periodically conduct site visits to Businesses/Construction including abroad
- Allocate Foreign Exchange to Centres for Corporate Customers
- Function in the role as Director representing the Bank on several Boards
- Maintain customer relations by social networking, hosting Bank's Business functions
- Among the Bank's Subsidiaries host Trade Missions, including locally

Education (degrees or other academic qualifications, schools attended, and dates):

- B.Sc. (Hons.) - Economics – University of the West Indies
- MBA – Heriot Watt University, Edinburgh, England
- A.C.I.B. – Associate of the Chartered Institute of Bankers

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Leon D. Charles Position: Director

Age: 61

Mailing Address: P.O. Box 10, St. George's, Grenada

Telephone No.: (473) 442-4681

List jobs held during past five years (include names of employers and dates of employment).

Chief Executive Officer - Charles and Associates Inc.

Give brief description of **current** responsibilities

Mr. Charles is actively involved in a wide range of business and sustainable development fields at the local, regional and international levels. His core activities in business include strategic planning, project development and evaluation, management training, and facilitation; while activities in sustainable development include climate change advisory services, high level national representation at the United Nations climate change negotiations, poverty reduction, and early childhood development programming.

Education (degrees or other academic qualifications, schools attended, and dates):

- MBA - University of Western Ontario, Canada (1987)
- B.Sc. Management (First Class Honours) - University of the West Indies, Trinidad (1982)

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Isabelle Slinger Position: Director

Age: 53

Mailing Address: The Tower, St. Paul's, St. George, Grenada

Telephone No.: (473) 435-0186

List jobs held during past five years (include names of employers and dates of employment).

- Managing Director of Comserv Limited (1999 – Present)

Give brief description of **current** responsibilities

Managing Director – senior accountant and manager of the business. Comserv Ltd offers accounting and management consulting services, and Ms. Slinger has the overall responsibility for the day to day running of the operation.

Education (degrees or other academic qualifications, schools attended, and dates):

- International Baccalaureate, St. Clare's, Oxford
- University of South Carolina, SC, Dean's List
- Centre for Management Development, Grenada

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Christopher Husbands Position: Director

Age: 50

Mailing Address: C/O: NAWASA, The Carenage, St. George's, Grenada

Telephone No.: (473)-440-2155

List jobs held during past five years (include names of employers and dates of employment).

General Manager, National Water and Sewerage Authority (April 2008 – Present)

Give brief description of **current** responsibilities

Responsible for implementing the strategic direction provided by the Board of Directors

Education (degrees or other academic qualifications, schools attended, and dates):

- B. Sc. (Hons) Civil/Environmental Engineering, UWI St. Augustine, Trinidad
- M. Sc. Project Management, Florida International University, USA
- MBA Finance, University of Toronto, Ontario Canada

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Richard M. Lewis Position: Director
Age: 67
Mailing Address: C/O Label House Group Ltd.
24-25 Frederick Settlement Ind. Estate, Caroni
Trinidad
Telephone No.: (868)-645-5522

List jobs held during past five years (include names of employers and dates of employment).

Executive Chairman, Label House Group Ltd. (September 1986 – Present)

The Label House Group is the leading supplier of packaging solutions within the Caribbean and South American region.

Give brief description of **current** responsibilities

- Executive Chairman of the Family-owned company, providing leadership at the board for Governance, and at the leadership team in terms of coaching and advice on a day to day basis.
- Direct responsibilities for new investments for the business and family investments.

Education (degrees or other academic qualifications, schools attended, and dates):

- University of Western Ontario - Richard Ivey School of Business - H.B. Administration - 1974
- Newcastle Institute of Technology - 1969

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Leslie-Ann Seon Position: Director
Age: 56

Mailing Address: C/O Seon & Associates
Lucas Street, St. George's
GRENADA

Telephone No.: (473) 435-1770

List jobs held during past five years (include names of employers and dates of employment).

Principal of the law firm, Seon & Associates. She has been admitted to practice at the Bars of Grenada, Barbados, and the British Virgin Islands and has been practicing for 25 years.

Chairman - Grenada Investment and Development Corporation.

Give brief description of **current** responsibilities

- Legal Counsel
- Manage the law firm, and its client base

Education (degrees or other academic qualifications, schools attended, and dates):

- University of the West Indies (B.A., Hons, 1988; LL.B., Hons, 1991);
- Hugh Wooding Law School (Legal Education Certificate)

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Keith A. Johnson Position: Managing Director
Age: 61

Mailing Address: C/O Republic Bank (Grenada) Limited
Republic House, Grand Anse, St. George
Grenada

Telephone No.: (473) 444-2265

List jobs held during past five years (include names of employers and dates of employment).

Republic Bank (Grenada) Limited - Managing Director (January 2009 – Present)

Give brief description of **current** responsibilities

- The development and implementation of strategy for sustained growth of the Bank in accordance with such directives as the Board may issue from time to time.
- To require the Bank to establish policies and procedures to discharge their administrative and accounting responsibilities so as to safeguard the Bank's assets.
- To keep the Chairman and the Board of Directors of Republic Bank (Grenada) Ltd. informed on any issue of importance.

Education (degrees or other academic qualifications, schools attended, and dates):

- AICB – 1987
- B. Sc. Accountancy - University of Guyana - 1996
- MBA – University of the West Indies, Cave Hill, Barbados - 2003

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Parasram Salickram Position: Director

Age: 41

Mailing Address: C/O Republic Bank Limited
9-17 Park Street, Port of Spain
Trinidad

Telephone No.: (868) 625-4411

List jobs held during past five years (include names of employers and dates of employment).

Republic Financial Holdings Limited (RFHL):-

- Chief Financial Officer (June 2004 to present)

Republic Bank Limited:-

- General Manager – Planning and Financial Control - January, 2014 - Present
- Senior Manager – Planning & Financial Control - June, 2013

Give brief description of **current** responsibilities

- Responsible for the entire financial reporting process of the RFHL group including management, legal and statutory reporting requirements
- Managing the strategic planning process of the Group
- Key part of team managing the inorganic growth of the Group

Education (degrees or other academic qualifications, schools attended, and dates):

- Fellow of the Association of Chartered Certified Accountants (ACCA) - 2001
- Chartered Institute of Management Accountants (CIMA) - 2011
- Chartered Global Management Accountant (CGMA) - 2012

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Keith A. Johnson Position: Managing Director

Age: 61

Mailing Address: C/O: Republic Bank (Grenada) Limited
Republic House, Grand Anse
St. George, Grenada

Telephone No.: 473-444-2265

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

Republic Bank (Grenada) Limited - Managing Director (January 2009 – Present)

Current Responsibilities:

- The development and implementation of strategy for sustained growth of the Bank in accordance with such directives as the Board may issue from time to time.
- To require the Bank to establish policies and procedures to discharge their administrative and accounting responsibilities so as to safeguard the Banks assets.
- To keep the Chairman and the Board of Directors of Republic Bank (Grenada) Ltd. informed on any issue of importance.

Education (degrees or other academic qualifications, schools attended, and dates):

- AICB - 1987
- B. Sc. Accountancy - University of Guyana, 1996
- MBA - University of the West Indies, Cave Hill, Barbados, 2003.

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Shaeen Ghouralal Position: General Manager - Credit

Age: 59

Mailing Address: C/O: Republic Bank Limited
Republic House, Grand Anse, St. George
Grenada

Telephone No.: (473) 444-2265

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

Republic Bank Limited:-

- Credit Manager – Corporate Business Centre East / Central Trincity, Trinidad
- Corporate Manager – Corporate Business Centre East / Central Chaguanas, Trinidad

Republic Bank (Grenada) Limited:-

- General Manager – Credit (February 2018 – present)

Current Responsibilities:

Customer Service / Maintenance and Protection of Assets / General Administration / Management of the Non-Performing Credit Portfolio / Sales / Business Development / Human Resource Management

Education (degrees or other academic qualifications, schools attended, and dates):

- High School (1971 – 1977)
- Secretarial College (1978)
- ACCA Diploma in Financial Management (2008-2009)
- Masters of Business Administration (2015)

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Clifford Bailey Position: General Manager - Operations

Age: 48

Mailing Address: C/O: Republic Bank (Grenada) Limited
Republic House, Grand Anse, St. George
Grenada

Telephone No.: (473) 444-2265

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

Republic Bank (Grenada) Limited:-

- General Manager – Operations - April 2015
- Manager Head Office – December 2012

Current Responsibilities:

To manage the development, implementation and monitoring of strategic plans and activities of the Bank, as they relate to Branch Retail Banking, Information Technology, Marketing, General Administration, Business Systems Process Improvement and Business Support Services with guidance from Group, to oversee the operations of the Operational Risk function.

Education (degrees or other academic qualifications, schools attended, and dates):

- B.Sc. (Computing and Info. Systems) – University of London
- M.Sc. (IT and Management) – Aspen University

RENWICK & PAYNE

ATTORNEYS-AT-LAW
&
INTELLECTUAL PROPERTY AGENTS
in Grenada and the Caribbean

CHAMBERS:

EBA House

Corner Lucas Street & Church Street
St. George's Grenada, West Indies

Email: renwick-payne@spiceisle.com

Website: www.renwickandpayne.com

Telephone (473) 440-2479/3895

Fax (473) 440-4189

Partner: Margaret Blackburn-Steele LL.B (Hons.) Notary Public

Partner: Amy M. Y. Bullock-Jawahir BA (Hons.) Law Post Graduate Dip. PLS

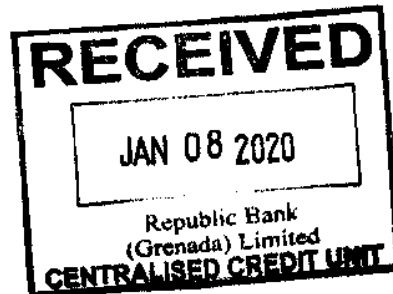
Consultant: D. H. Laisee
Barrister-at-Law

7th January, 2020

The General Manager
Republic Bank (Grenada) Ltd
Centralised Credit Unit
Melville Street
St. George's

Attn: Mr. O'Neal Dominique

Dear Mr. Dominique,



Re: Republic Bank (Grenada) Limited- Litigation Matters

We refer to your request for information of any litigation matters involving the Bank and report as follows:

1. **Claim No: GDAHCV 2005/0209- Republic Bank (Grenada) Limited v Ian Francis and Juliana Francis.**

The Bank financed the purchase of a sub-divided lot of land from Simeon Francis and subsequently the construction of a house on the said sub-division for customers Ian and Juliana Francis. During the construction, customers received a court order to cease construction as there was covenant in a prior deed which prevented the sub-division of the lot. Customers have claimed \$257,900 from the Bank as the value of their equity in the property plus legal fees and rents paid.

The above-captioned action was instituted by Renwick & Payne on the Bank's behalf to obtain clarification of the Orders in the two previous actions and to obtain declarations to the effect mainly that:

- a) Mr. Ian Francis and his wife would not be in contempt of court if they were to move into the house they built; and

b) Mr. Ian Francis remains liable to pay under the mortgage.

The Bank's customers responded by way of a Defence and Counterclaim against the Bank and joined Renwick & Payne as a party for negligence as the customer alleges we did not advise him as to the covenant restricting more than one building. We responded by way of Reply and Defence to Counterclaim. On 2nd May, 2008 Judgment was entered in favour of our application to strike the Counterclaim filed in this matter. Subsequently, the Lawyers for Francis appealed the Judgment. The Court of Appeal ruled against Renwick & Payne but we did not think it in the firm's interest to resort to the Privy Council as the issue will nevertheless be thrashed out at the main trial of the action, together with the Bank's action.

Present Position

We are still involved in serious settlement negotiations, and have had four meetings with Counsel in the last month. In fact, we are thinking seriously now about instructing additional Counsel, to provide a fresh outlook and to help find new solutions to this matter.

In the meantime the matter is due to return to Court soon. We will be given Case Management Directions to prepare for trial.

Prospect of Success

We are hopeful that we may still have this matter settled. However, should settlement discussions fail, we think that we have a good chance of success in obtaining the declarations sought. These declarations are important to establish the legal position of the parties and the mortgaged property vis-à-vis a sale by the Bank under its Power of Sale. It is difficult to ascertain the final amount of the Claim because the Francis' are claiming all costs expended subsequent to their purchase of the land. However, the building remains standing and we advise that insurance be maintained.

2. Claim No. GDAHCV 2011/0096 – Time Bourke (Holdings) Grenada Limited v Issa Nicholas (Grenada) Limited and Republic Bank (Grenada) Limited

This matter is essentially a Landlord and Tenant matter. Time Bourke (Holdings) Grenada Limited as Landlord instituted proceedings against Issa Nicholas (Grenada) Limited as Tenant for breach of covenants under an Indenture of Lease so that the lease had become liable to forfeiture and also for possession of the leasehold property.

Issa Nicholas (Grenada) Limited, filed a Defence denying that it was in breach of the lease; that the Claimant was not entitled to forfeit the lease; and, contending that the Claim against it should be struck out. Issa Nicholas (Grenada) Limited also counterclaimed for damages, relief from forfeiture, and costs.

The Bank is affected by this matter as Issa Nicholas (Grenada) Limited has a mortgage with the Bank under which the leasehold property is being held as security. Forfeiture of the lease would result in the Bank losing its security under the said Mortgage.

On 11th September, 2015 the Bank filed an application to be joined as an Interested Party or as a Defendant to these proceedings in order to make the Court aware of the existence of the mortgage and to protect its interests.

At the last hearing, the Court ordered that the Bank be joined as a Defendant to these proceedings and we have since been served with all the relevant documents. Also at this hearing, the Court dealt with an Application by Issa Nicholas (Grenada) Limited to permit the late filing of an additional witness statement. This application was denied by the High Court and Issa Nicholas (Grenada) Limited's appeal of this decision was dismissed.

Present Position

This matter remains as per our report dated 2nd October, 2019

By way of reminder, the substantive matter has not yet been heard by the High Court. We are still awaiting a date to be set by the Court for Pre-Trial Review of this matter. We continue with our efforts to secure a date as soon as possible. At the right time we will be filing our application seeking to enforce the Bank's **statutory remedy** for relief from forfeiture, so as to keep the Bank's security intact.

Prospect of Success

Having researched the matter, we find it very unlikely that the Court will forfeit the lease. Forfeiture of the lease as a remedy for Time Bourke (Holdings) Grenada Limited is highly disproportionate to the effect it would have on Issa Nicholas (Grenada) Limited and Republic Bank (Grenada) Limited.

Should the Court be of the decision that the lease should be forfeited, it will more than likely grant relief from forfeiture to Issa Nicholas (Grenada) Limited. It is at that time that our application to enforce the Bank's statutory remedy of relief from forfeiture will be taken into consideration to protect the Bank's financial interest.

3. Claim No.GDAHCV2014/0274 – Jessamy Environmental Consulting & Research Caribbean Incorporated, a firm and Valma Jessamy v Republic Bank (Grenada) Limited

These proceedings commenced with the filing of a Claim Form and Statement of Claim by Valma Jessamy and her registered Company claiming relief for breach of contract, negligence on the Bank's part, breach of confidentiality and general damages. We filed a Defence in these

proceedings on the Bank's behalf. Pleadings are now at a close, and the Claimants opted not to file a Reply to our Defence.

Present Position

This matter has an outstanding application yet to be heard, filed by Jerry Edwin which is requesting an additional witness statement to be filed out of time. The matter also needs a new date for Pre-Trial Review after Mr. Edwin's application is dealt with. Once these two outstanding issues are dealt with the matter will be ready for trial on a date to be fixed by the Court.

Prospect of Success

As indicated above, we filed a Defence on behalf of the Bank, which in summary emphasizes that the Bank acted in accordance with the provisions of the Bill of Sale Act as well as the Banking Act. We feel the Bank has a strong position to defend this matter at trial.

4. Re: Claim No. GDAHCV 2015/0036- Rickie Morain and Robbie Morain v Beverly Whint

Robbie Morain and Rickie Morain ("the Morains") brought an action against their sister Beverly Whint for specific performance of an agreement between the Morains and Ms. Whint made on or about 27th January 2011 for the sale by Ms. Whint to the Morains of all that lot of land situate at Woburn, St. George comprising 8791 square feet with residential building thereon.

Prior to the agreement, Ms. Whint mortgaged the said property to the Bank. The Morains claim that there was an agreement partly in writing and partly oral whereby Ms. Whint agreed to sell and the Morains agreed to purchase the said lot of land for the purchase price of \$170,000.00. It was also agreed that the said purchase price was to be applied to Ms. Whint's mortgage account with the Bank.

The Bank has been enjoined from selling the property until the final resolution of this matter at trial.

Prospect of Success

In our opinion, judging from the last Court hearing, we are convinced that it is unlikely that the Court will allow the Bank's mortgage to continue un-serviced, and that at the determination of the trial, the Court will provide consequential directions as to how to the Bank may proceed.

5. Re: Claim No. GDAHCV2018/0110 - Lauralee Cross v Republic Bank (Grenada) Limited)

This Claim is brought by Lauralee Cross against the Bank for monies held in what was a joint account held with Lionel Akins. The subject account belonged to Lionel Akins and he later purported to join his daughter Lauralee Cross as a holder to the account.

In or about 2017, one Gavin McQuilkin, the nephew of Lionel Akins, presented a letter to the Bank requesting a transfer from the joint account to Gavin McQuilkin's own account of a sum which was almost all of all the monies held in the account at the time (almost two million dollars). The letter stated that the monies were needed in order to, inter alia, pay for the maintenance and health care of Lionel Akins.

The Bank was concerned that the letter was not legitimate and made a home visit to Mr Akins where they were satisfied that he was mentally competent and he confirmed the instructions in the said letter. The Bank was also given a doctor's report of good mental health. However, following the home visit, the Bank was presented with another letter adjusting the transfer amount to half of the previous request. Unfortunately, before the instructions could be carried out Mr. Akins died, triggering the survivorship principle.

Lauralee Cross attempted to remove all of the monies in the account and the Bank subsequently placed a hold on the monies in the account in consideration of the two conflicting claims to the monies in the account. The Bank suggested that Lauralee Cross and Gavin McQuilkin reach a settlement or agreement as to whom the monies in the account belonged, but they did not.

Lauralee Cross filed a claim against the Bank for the monies in the account and also damages for unlawful retention. The Bank filed a Defence stating that it was within its rights to place a hold on the account as it had sufficient evidence to show that the survivorship principle may not apply in this situation. The Bank also filed a Counterclaim asking the Court for declarations as to the true entitlement of the monies in the account and for the monies to be held by the Court pending the resolution of this matter.

Present Position

Gavin McQuilkin was recently joined as an Ancillary Claimant to the proceedings. He has brought his own claim against the Bank for what he claims to be his share of the money. We filed Defence for the Bank in similar terms to that of the Defence against Lauralee Cross, so that pleadings are now closed. The matter will soon be given a date for Case Management. We anticipate that the Court will direct all of the parties to attend a formal mediation session. With any luck, the parties may agree to share the monies held by the Bank.

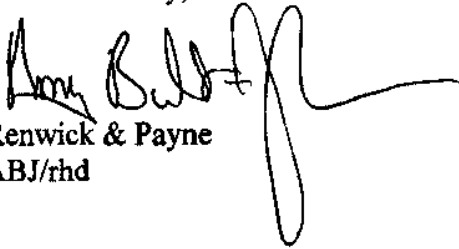
Prospect of Success

We have previously written to the Bank indicating our opinion that the Bank was correct to place a hold on the account following the death of Lionel Akins. We believe there is sufficient evidence to show contrary intention to rebut the presumption of the survivorship rule, that is to say, there is sufficient evidence to show that Lionel Akins did not intend for all of the monies in the account to go to Lauralee Cross upon his death.

We believe that the Bank has a strong Defence, and in any event the Bank is asking the Court to make declarations as to the true entitlement of the monies held in the account. The monies in the account continue to accrue interest so that the Bank is mitigating any potential losses for the customers.

We hope the above is of assistance to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Amy Bulfinch', with a long horizontal flourish extending to the right.

Renwick & Payne
ABJ/rhd