

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, 2017

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, Grand Ansd, 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 X 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



Signature

January 2018

Date

Name of Director:

Leon Charles


Signature

January 2018

Date

Name of Chief Financial Officer:

Elizabeth M. Richards-Daniel


Signature

January 2018

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 30, 2017 the Bank total assets increased by 4.4% or \$39 million to \$925 million reflected mainly in investments which increased significantly by 33% or \$66 million. However, loans declined by 5% or \$23 million as a result of the continued low loan demand and the general trend in the market, where a decline of 2.2% was experienced for the period September 2016 to September 2017.

Customer deposits increased by \$26 million which assisted in funding the increase in the investments.

During fiscal 2018, the main focus of the Bank will be to build on the strides made over the past year by further improving our efficiency, leading to enhanced customer service and higher returns.

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's
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, 2017, 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)

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 15, 2016 - 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. Parasram Salickram, Mr. Richard Lewis, Ms. Leslie-Ann Seon and Ms. Karen Yip Chuck,

- (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
2. Appointment of Auditors and Fixing of their Remuneration

- (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.

During the last fiscal, the Bank made a Rights Issue to its shareholders and 127,673 shares were taken up by shareholders increasing the number of shares in issue to 1,627,673.

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. The major risks associated with its business are credit risk, interest rate risk, market risk, liquidity risk, currency risk and operational risk. An affiliated company, Republic Bank Limited, lends its support to the Bank in managing these risks.

Credit Risk

Credit Risk is the potential that a borrower or counter-party will fail to meet its stated obligations in accordance with agreed terms. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long term success of the Bank. The Bank's credit risk management process operates on the basis of a hierarchy of discretionary authorities. The Republic Group Risk Management Unit supports the Bank in ensuring that loans and advances are made in accordance with sound banking practice, current legislation and in accordance with the applicable general policy of the Bank as laid down from time to time. The risk management function is kept from and independent of the business development aspect of operations.

The Bank uses a risk rating system which groups commercial/corporate accounts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. For retail lending, a computerized Credit Scoring system with preset risk management criteria is in place at all branches to facilitate decision-making. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend inform the credit decision and determines the intensity of the monitoring process. The credit control processes emphasize early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding liability may be doubtful or unduly delayed, such accounts are transferred from performing to non-performing status.

As a prudent policy, loan loss provisions are set aside to cover any potential loss in respect of debts that are not performing satisfactorily. A review of these provisions is conducted quarterly in accordance with laid down guidelines and recommended provisions arising out of these reviews are submitted to the Board for approval.

The major assets facing credit risk are loans and investments. As at September 30, 2017 the ratio of the non-performing portfolio to total loans decreased to 6.16% from 7.50% as at September 30, 2016 and the ratio of impaired investments to total investments decrease to 4.54% from 6.40% for the same period.

Interest Rate and Market Risks

Interest rate risk is the exposure of interest bearing assets and liabilities to movements in interest rate. 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, interest rate sensitivity analysis and exposure limits for both assets and liabilities. As at September 15, 2017, there was a positive gap of EC\$56K, a decrease from EC\$91K as at September 15, 2016.

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 has access to the Inter Bank Market within the Eastern Caribbean Currency Union and Republic Group's funding to provide additional liquidity as conditions demand. The Bank can also use its significant investments in regional Government securities for liquidity support. The Bank continually balances the need for short-term assets which have lower yields, with the need for higher asset returns. During the fiscal to September 30, 2017, the net liquid asset ratio increased to 52.05% from 45.92% as at September 30, 2016, well in excess of the prudential requirement of 20%. Of the 52.05% net liquid asset ratio as at September 30 2017, 11.05% represents uninvested funds

Currency Risk

Currency Risk is the exposure of the Bank's financial condition to unfavourable movements in foreign currency exchange rates. In recognition of this risk, the Bank's policy is to match initial net foreign currency investments with funding in that same currency. The Bank also has established limits for uncovered holdings in each foreign currency and monitors its foreign currency position for both overnight and intra-day transactions. The Bank continues to operate within the exposure limits for trading provided by the Board, except for US\$, which has been in excess of the \$20 million limit, as purchases have outstripped sales.

A huge foreign exchange risk position continues to be maintained in TT dollars, with net assets of TT\$18.39M (EC\$7.50M) as at September 30, 2017. TT\$15.41M (EC\$6.27M) or 83.86% of this amount is represented by the WASA bond which matures in 2021. While the return on this investment (11.5%) outweighs the potential loss that could arise due to slight depreciation of the TT\$ we are currently seeking to sell this investment as it is possible there could be a major depreciation in the rate. The other significant foreign exchange exposure is in US\$ (US\$123.53M), but the likelihood of any depreciation in that currency against the EC\$ is highly remote.

Operational Risk

Operational risk is inherent in all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal control, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud. The Bank recognizes that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Bank's operational risk department oversees this risk and where appropriate, some risk is transferred by the placement of adequate insurance coverage. The Bank has developed contingency arrangements to support operations in the event of disaster. Independent checks on operational risk issues are also undertaken by the internal audit function. During last quarter of fiscal 2017 a BCP test was conducted and our Core systems were failed over successfully allowing the business to continue to function without disruption.

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.

Republic Financial Holdings Limited share holding increased from 74% to 75.55%.

- (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 cannot pay a dividend if the payment would result in an impairment of the capital required under section 44 of the Banking Act of 2015 or if the Bank makes a net loss for that financial year.

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

In 2017, total assets increased by 4.41% or \$39.078 million to \$925.234 million (2016: \$886.156 million). There was a significant increase in investments of 33.24% or \$65.518 million mainly due to investments from international markets. The increase in total assets was fueled mainly by the 3.39% or \$26.092 million increase in deposits and the 4.94% or \$23.166 million reduction in loans.

The gross loan portfolio decreased by \$22.067 million or 4.59% to \$458.861 million (2016: \$480.928 million), reflecting the effect of the continued stagnant to declining loan demand, the aggression of the Credit Unions, and the general trend in the market where a decrease of 4.22% was recorded in the period June 2016 to June 2017.

The Bank continues in its efforts at maintaining quality in its loans portfolio. As at the end of fiscal 2017, the ratio of non-performing loans to gross loans was 6.16%; a decrease from 7.50% at the end of fiscal 2016. The ECCB's benchmark for this ratio is 5.00%. This is the third consecutive year the Bank experienced a decrease in this ratio after peaking at 10.44% in 2014. The Bank continues to focus its efforts to get the ratio within the benchmark, and expects to attain compliance by the end of next fiscal.

The ratio of specific provision for loan losses to non-performing loans moved from 24.15% in 2016 to 34.42% in 2017, reflecting a more conservative approach, despite the strong quality of the Bank's collateral.

The Loans to Deposits ratio reduced to 56.00% (2016: 60.91%), which continues to reflect weak loan demand, compounded by a growing deposit portfolio.

The Bank's top 20 borrowers represented 28.23% of total loans as at September 30, 2017, a slight decrease from 28.33% as at September 30, 2016. For the period September 2016 to September 2017 both the market and the Bank experienced a decrease in loans of 2.20% and 4.62% respectively. The Bank's market share for loans as at September 30, 2017 decreased to 28.07% from the 28.79% as at September 30, 2016.

The Bank's top 10 deposit customers represented 21.03% of total deposits as at September 30, 2017 a decrease from 20.31% as at September 30, 2016. Both the market and the Bank experienced increases in deposits for the period September 2016 to September 2017 with increases of 5.02% and 3.32% respectively. The Bank's market share for deposits as at September 30, 2017 was 27.23% a decrease from the 27.67% as at September 30, 2016.

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

During the quarter to December 31, 2017, the net liquid asset ratio decreased to 50.37% from 52.05% as at September 30, 2017, still well in excess of the prudential requirement of 20%. Of the 50.37% net liquid asset ratio as at December 31, 2017, 10.24% represents uninvested funds compared to 11.09% of the 52.05% as at September 30, 2017. With the scope to increase the loan portfolio still limited, we continue to seek from 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 \$108.162 million as at September 30, 2017; an increase of \$10.304 million of which \$5.745 million due to a Rights Issue during the year.

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, 2017, the Bank exceeded the minimum levels required with Tier 1 capital to risk-weighted assets of 13.75% and total qualifying capital to risk-weighted assets of 14.57%. 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.

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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, 2017, the Bank recorded profit after tax of \$6.146 million; an increase of \$0.682 million (12.48%) from the \$5.464 million recorded in fiscal 2016. While profit after tax only increased by \$0.682 million, profit before tax increased by \$1.591 million. The latter improvement was largely the result of an increase in interest income, consequent upon the growth in Investments and Liquid assets and the reduction in Impairment expense. Tax expense was relatively much greater this year, as the benefit of loss relief from previous years ended in 2016.

The Bank's return on average assets (ROA) increased from 0.63% to 0.68% in line with profits. Return on average equity (ROE), however, increased at a lower rate than the increase in ROA, moving to 5.97% from 5.72% in 2016 mainly due to the increase in Stated Capital of \$5.745 million during the year. The increase in Stated Capital was as a result of a Rights Issue to shareholders in January 2017 in order to comply with section 44 of the Banking Act of 2015.

Net interest income increased by 2.60% or \$0.854 million to \$33.662 million from the \$32.808 million recorded in 2016. Interest on investments increased by \$1.054 million, in line with the \$65.518 million increase in the portfolio, and interest on liquid assets increased by \$0.769 million mainly due to the \$17.561 million increase in Treasury Bills issued on the Regional Government Securities Market.

However, these were partly offset by a reduction of \$0.880 million in interest income on loans as a result of the reducing portfolio and competitive pressures resulting in declining yields. The ratio of the Bank's interest earning assets to customer deposits increased to 95.42% from 88.97% in 2016. This reflects the Bank's policy of making maximum use of customer deposits in a challenging environment where lending opportunities are relatively scarce. To cushion the effect of the decline in the loan portfolio during the period, we increased the Treasury Bill portfolio by \$17.561 million and investments by \$65.518 million, utilising the entire increase in the deposits portfolio, the reduction in loans, and other surplus funds.

Other income of \$10.641 million in 2017 was \$1.631 million or 13.29% lower than the 2016 earnings of \$12.272 million. This was primarily due to the one-off gain of \$2.410 million on the recognition of the Government of Grenada restructured bonds recorded in 2016 partly offset by an increase in recoveries on written off debt of \$0.416 million.

Operating expenses decreased by 4.92% or \$1.813 million to \$35.028 million from \$36.841 million in 2016. This was mainly due to an impairment expense of \$1.664 million on the restructure of Government of Grenada debt instrument recorded in 2016. In fiscal 2017, we recorded a loss of \$0.445 million on the sale of Government of Barbados bond. Had it not been for these two one-off items, other expenses for fiscal 2017 would have been \$0.594 million less than 2016.

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 I and Appendix I (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.

Pending Litigation report.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Ronald F. deC. Harford Position: Director / Chairman

Age: 72

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).

Chairman of Republic Financial Holdings Limited and Republic Bank (Grenada) Limited

Give brief description of **current** responsibilities

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

F.C.I.B. - Fellow of the UK Chartered Institute of Bankers
F.I.B.A.F. - Fellow of the Institute of Banking and Finance (Trinidad & Tobago)
F.C.A.B.F.I. - Fellow of the Caribbean Association of Banking and Finance

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Keith A. Johnson Position: Director

Age: 59

Mailing Address: C/O: Republic Bank (Grenada) Limited

Head Office, Grand Anse, St. George

Grenada

Telephone No.: 1 473 444-2265

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

Republic Bank (Grenada) Limited - Managing Director - January 2009.

Give brief description of **current** responsibilities

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

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

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Leon D. Charles Position: Director

Age: 59

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).

Consultant – Charles & Associates, Inc. (self-employed).

Give brief description of **current** responsibilities

Main responsibility is to carry out assignments for clients as per terms of contract.

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

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

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Isabelle Slinger Position: Director

Age: 51

Mailing Address: Lucas Street
St. George's
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 since 1999.
Financial Controller of Camper & Nicholson (Grenada) Limited since 2008.

Give brief description of **current** responsibilities

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
School of Accounting and Management, Trinidad, B.S.C. Information Systems and Computers
Quickbooks Pro Advisor Certification Course

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Graham Williams Position: Director

Age: 53

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).

Managing Director/Chairman, Westerhall Estate Limited

Give brief description of **current** responsibilities

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

B.A. Economics - University of Windsor, 1985

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Karen Yip Chuck Position: Director

Age: 49

Mailing Address: C/O: Republic Bank Limited

9-17 Park Street, Port of Spain

Trinidad

Telephone No.: 1 868 625-4411

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

Republic Bank Limited:-
General Manager – Corporate & Investment Banking – February 2016
General Manager – Republic Bank’s Trust & Asset Management Division – January 2011

Give brief description of **current** responsibilities

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

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

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Richard Lewis Position: Director

Age: 65

Mailing Address: C/O: Label House Group Limited

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).

General Manager/Director - Label House Group Limited - 1986

Give brief description of **current** responsibilities

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

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Leslie-Ann Seon Position: Director

Age: 54

Mailing Address: C/O: Seon & Associates

Lucas Street

St. George's

Telephone No.: (473) 435-1770

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

Ms. Leslie-Ann Seon has been admitted to practice at the Bars of Grenada, Barbados, and the British Virgin Islands and has been practicing for 24 years.

She is the Principal of the law firm, Seon & Associates, and current Chairman of the Grenada Investment and Development Corporation.

Give brief description of **current** responsibilities

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)

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Christopher Husbands Position: Director

Age: 48

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

Give brief description of **current** responsibilities

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

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

Use additional sheets if necessary.

APPENDIX 1 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Parasram Salickram Position: Director

Age: 39

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).

Chief Financial Officer - Republic Financial Holdings Ltd.
Republic Bank Limited:-
General Manager – Planning and Financial Control - January, 2014
Senior Manager – Planning & Financial Control - June, 2013
Republic Bank (Barbados) Limited - Corporate Controller – January 2008

Give brief description of **current** responsibilities

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

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

Use additional sheets if necessary.

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Keith A. Johnson Position: Managing Director

Age: 59

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

Telephone No.: 4730777-2265

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

Managing Director - Republic Bank (Grenada) Limited, January 2009

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

MBA – University of the West Indies, Cave Hill, Barbados, 2003.

B. Sc. Accountancy - University of Guyana, 1996

AICB – 1987

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Naomi E. De Allie Position: General Manager - Credit

Age: 52

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.

General Manager - Credit, 2012

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

MSc Financial Sector Management – University of London, December 31, 2015

BSc Financial Services Management – University of Manchester, February, 2003

ACIB

Also a Director of the company _____ Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary

APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Clifford Bailey Position: General Manager - Operations

Age: 46

Mailing Address: C/O: Republic Bank (Grenada) Limited
Head Office, 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.

General Manager Operations – April , 2015
Manager Head Office – January 2013 – December 2014

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

MSc Information Technology – Aspen University, 2006
BSc Computing and Information Systems – University of London, 2001

Also a Director of the company _____ Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary



CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to advise that for the year ended September 30, 2017, the Bank recorded net profit after tax of \$8.15 million, an improvement of \$0.69 million (12.6%) over the \$5.46 million recorded in 2016. Profit before taxes increased by \$1.59 million (27.3%), mainly due to an increase in interest on investments and liquid assets and a reduction in impairment expense. However, tax expense increased as the benefit of loss relief from previous years ended in 2016.

Assets increased by 4.4% or \$39.1 million to \$925.2 million, reflected mainly in investments which increased significantly by 33.2% or \$65.5 million. However, loans declined by 4.94% or \$23.2 million reflecting the continued low loan demand and the general trend in the market, where a decline of 4.22% was experienced for the period June 2016 to June 2017.

In January 2017, the Bank offered a Rights issue to its shareholders in order to satisfy the minimum paid-up capital of \$20 million required by the Banking Act of 2015. The issue raised \$5.75 million through a sale of 127,673 new shares increasing the paid-up capital from \$15 million to \$20.75 million which satisfies the new minimum capital requirement. The Banking Act of 2015 also requires that the Statutory Reserve, which previously stood at \$15 million, must be 100% of paid-up capital, and that a minimum of 20% of net profit after tax in each year be transferred to Statutory Reserve until it is a 100% of paid-up capital. The Board of Directors has decided to transfer the full \$5.75 million, from the profits of 2017, to the Statutory Reserve account, in fulfillment of the requirement. This transfer does not impact the Bank's capital adequacy requirements.

Currently the Bank meets the capital requirement of Basel 1, with Tier 1 Capital to total adjusted risk-weighted assets of 13.75% and total qualifying capital to total adjusted risk-weighted assets of 14.57%. However, with the pending implementation of Basel 11 and IFRS 9 during 2018, the Bank will be required to maintain higher levels of capital and as a result has targeted a minimum total qualifying capital to total adjusted risk-weighted assets to be maintained. Since the Bank is below the estimated minimum, it has decided to conserve capital, and no dividend has been declared for the year ended September 30, 2017.

The economy continues to grow and the IMF expects economic growth of 2.5% in 2017. The successful conclusion of the Homegrown Structural Adjustment Programme, in meeting its intended objectives during the first half of 2017, is expected to foster improved confidence and credibility in the economy. Grenada's debt-to-GDP ratio declined to 85% in 2016 and is expected to decline further by the end of 2017 due to a further cut of 25% of the debt, consequent upon the conclusion of the Structural Adjustment Programme.

The Bank is well-positioned to take advantage of any opportunities which may arise as the economy grows. During fiscal 2018 the main focus of the Bank will be to build on the strides made over the past year, by further improving our efficiency through greater use of Digital technology, leading to enhanced customer service delivery.

I express gratitude to all our valued stakeholders for their dedication, loyalty, commitment and support.

Ronald F. deC. Harford
CHAIRMAN
October 26, 2017

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

Statement of Financial Position

As at September 30, 2017

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2017	2016
ASSETS		
Cash	13,956	12,107
Statutory deposits with Central Bank	48,468	40,102
Due from banks	84,345	116,281
Treasury Bills	23,898	6,335
Investment interest receivable	2,874	2,171
Advances	445,342	468,508
Investment securities	282,831	197,113
Premises and equipment	32,183	32,892
Employee benefits	7,078	7,327
Deferred tax assets	1,868	1,564
Taxation recoverable	-	89
Other assets	2,988	1,687
TOTAL ASSETS	925,234	886,156
LIABILITIES & EQUITY		
LIABILITIES		
Due to banks	5,440	3,534
Customers' current, savings and deposit accounts	795,324	769,232
Employee obligations	4,138	3,852
Taxation payable	925	-
Deferred tax liabilities	2,804	3,191
Accrued interest payable	136	136
Other liabilities	8,307	8,353
TOTAL LIABILITIES	817,072	788,298
EQUITY		
Stated capital	20,745	15,000
Statutory reserve	20,745	15,000
Other reserves	2,289	3,020
Defined benefit reserve	202	1,058
Retained earnings	64,181	63,780
TOTAL EQUITY	108,162	97,858
TOTAL LIABILITIES & EQUITY	925,234	886,156

These financial statements were approved by the Board of Directors on October 26, 2017 and signed on its behalf by:

Ronald F. deC. Harford, Chairman

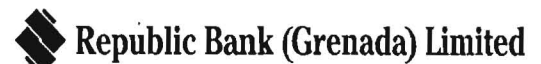
Keith A. Johnson, Managing Director

Statement of Income

For the year ended September 30, 2017

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2017	2016
Interest Income	43,155	42,212
Interest expense	(9,483)	(9,404)
Net Interest Income	33,662	32,808
Other income	10,641	12,272
	44,303	45,080
Operating expenses	(35,028)	(36,841)
Operating profit	9,275	8,239
Loan impairment expense, net of recoveries	(1,859)	(2,414)
Net profit before taxation	7,416	5,825
Taxation expense	(1,270)	(361)
Net profit after taxation	6,146	5,464
Earnings per share (\$)		
Basic	\$3.88	\$3.64
Number of shares ('000)		
Basic	1,628	1,500
Weighted average	1,585	1,500




Republic Bank (Grenada) Limited

Statement of Comprehensive Income

For the year ended September 30, 2017
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2017	2016
Net profit after taxation	8,148	5,484
Other comprehensive income:		
<i>Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Revaluation of available-for-sale investment securities	(1,043)	1,693
Tax effect	312	(508)
	(731)	1,185
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	(731)	1,185
<i>Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Re-measurement losses on defined benefit plans	(1,353)	(871)
Tax effect	406	261
	(947)	(610)
Re-measurement gains on medical and group life plans	130	173
Tax effect	(39)	(62)
	91	121
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:	(856)	(489)
Total other comprehensive (loss)/income for the year, net of tax	(1,587)	696
Total comprehensive income for the year, net of tax	4,559	6,160

Statement of Changes in Equity

For the year ended September 30, 2017
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	Stated capital	Statutory reserve	Other reserves	Defined benefit reserve	Retained earnings	Total equity
Balance as at September 30, 2015	15,000	15,000	1,835	1,547	59,816	93,198
Total comprehensive income for the year	-	-	1,185	(489)	5,464	6,160
Dividends paid	-	-	-	-	(1,500)	(1,500)
Balance as at September 30, 2016	15,000	15,000	3,020	1,058	63,780	97,858
Shares issued	5,745	-	-	-	-	5,745
Total comprehensive income for the year	-	-	(731)	(856)	6,146	4,559
Transfer to Statutory reserve	-	5,745	-	-	(5,745)	-
Balance as at September 30, 2017	20,745	20,745	2,289	202	64,181	108,162

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

Statement of Cash Flows

For the year ended September 30, 2017
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2017	2016
Operating activities		
Profit before taxation	7,418	5,825
Adjustments for:		
Depreciation	3,062	3,446
Loan impairment expense, net of recoveries	1,859	2,414
Investment impairment (recoveries)/expense	(493)	1,491
Loss/(gain) on disposal of available-for-sale investment	445	(288)
(Gain)/loss on sale of premises and equipment	(30)	24
Foreign exchange loss on available-for-sale investment	46	466
Amortisation of premium/discount on available-for-sale investment	548	288
Increase in employee benefits/obligations, net	(323)	(440)
Decrease in advances	21,307	6,002
Increase in customers' deposits and other fund raising instruments	28,092	40,629
Increase in statutory deposits with Central Bank	(8,364)	(7,003)
(Increase)/decrease in other assets and investment interest receivable	(1,802)	3,259
(Decrease)/increase in liabilities and accrued interest payable	(46)	477
Taxes paid, net of refund	(97)	(691)
Cash provided by operating activities	49,608	56,881
Investing activities		
Purchase of investment securities	(78,834)	(75,351)
Purchase of Treasury Bills	(21,963)	(14,992)
Redemption of investment securities	12,201	19,988
Redemption of Treasury Bills	12,500	10,230
Additions to premises and equipment	(2,386)	(2,224)
Proceeds from sale of premises and equipment	73	11
Cash used in investing activities	(78,509)	(62,338)
Financing activities		
Increase/(decrease) in balances due to other banks	1,908	(4,884)
Proceeds from Rights issue	5,745	-
Dividends paid	-	(1,500)
Cash provided by/(used in) financing activities	7,651	(6,384)
Net decrease in cash and cash equivalents	(21,250)	(12,841)
Cash and cash equivalents at beginning of year	129,961	142,802
Cash and cash equivalents at end of year	108,711	129,961
Cash and cash equivalents at end of year are represented by:		
Cash on hand	13,955	12,107
Due from banks	84,345	116,281
Treasury bills - original maturities of three months or less	10,411	1,573
	108,711	129,961

REPUBLIC BANK (GRENADA) LIMITED

REPORT ON SIGNIFICANT CURRENT AND PENDING LITIGATION AGAINST THE BANK

As at September 30, 2017

**1. Claim No: GDAHCV 2005/0209 –
Republic Bank Grenada Limited vs. Ian Francis and Julian 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 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 did write to the Registrar of the Supreme Court on several occasions requesting that the matter be placed back on the Court's list for case management of the substantive claim and our original application for an interpretation of the judgment from the previous suit. We have spoken with the Court Administrator this week who has confirmed that we will be given a new date for a status hearing. At the status hearing, the parties will meet before the Judge to discuss the present status of the matter and the way forward.

Prospect of Success

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 vs 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 its Defendant 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

We have spoken with the Attorney for Issa Nicholas (Grenada) Limited who has indicated that the Issa Nicholas (Grenada) Limited has made a further appeal to the Privy Council. The Privy Council appeal did undergo case management at the last appeal sitting in Grenada in the last week of March, 2017; however the substantive appeal has yet to be heard. Consequently, the substantive matter of the breach and forfeiture will remain stayed pending the decision of the Privy Council. Following the outcome of the Privy Council decision, the matter will be re-listed with the High Court for Pre-Trial Review. Please note that the substantive matter has not yet been heard by the High Court. 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 vs 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. We still await a Reply to be filed by the Claimants.

Present Position

We wrote to the Bank for instructions as to mediation of this matter. We await a response. Having spoken with Jerry Edwin, Counsel for the Claimant, it appears that the Claimant is open to settlement.

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 should it get to Court.

4. Claim No. GDAHCV 2015/0036 – Rickie Morain and Robbie Morain vs Beverly Whint

Robby 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 Court's jurisdiction regarding an interlocutory decision in relation to service has been brought into question in these proceedings by Beverly Whint's Attorneys. Written submissions in relation thereto were requested by the Judge.

Present Position

We are awaiting the ruling of Justice Adrien-Roberts with respect to the said written submissions filed by both parties which challenges the jurisdiction of the Court.

We have spoken to Nigel Stuart, Attorney for Beverly Whint and he has indicated that if the Judge does not rule in their favour, they are likely to appeal the Judge's decision.

A handwritten signature in black ink, appearing to read 'K. Johnson', with a long horizontal line extending to the right.

Keith A. Johnson
MANAGING DIRECTOR