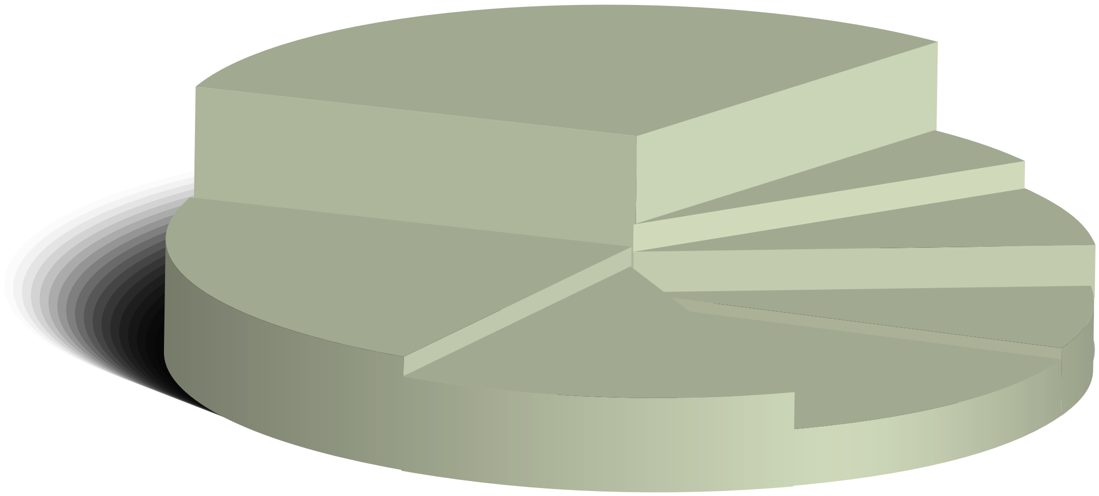
2016 ANNUAL REPORT

GRENADA DEVELOPMENT BANK

Development through Financing



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OUR VISION

To be the Leading Provider of Development Financing in Grenada, Carriacou and Petite Martinique.

OUR MISSION

To be an innovative and viable development organization, providing high quality financial and related services to the state of Grenada, with the aim of fostering socio-economic development.

OUR VALUES

Development Focus:	Fostering the socio-economic development of the country is the reason why we exist.
Customer Focus:	We continuously strive to exceed our customers' expectations.
Innovation:	We offer products and services that would meet the changing needs of our customers.
Professionalism:	At all times, we would demonstrate high levels of integrity, respect for others, confidentiality, reliability, honesty and objectivity in our dealings.
Result Oriented:	We work as a team and are performance driven.
Accountability:	We are responsible for our actions that influence the lives of our customers, fellow workers and the resources that are in our care.
Motivation and Recognition:	We encourage and reward all staff for their accomplishments and promote continuous personal development.

Corporate Information

REGISTERED OFFICE:
P.O Box 2300, Melville Street,
St. George's.

SOLICITORS:
Ciboney Chambers
Danny Williams & Company
Law Office of Alban M. John
Renwick & Payne

AUDITORS:
PKF

BANKERS:
RBTT Bank Grenada Ltd.
Republic Bank (Grenada) Ltd.
Eastern Caribbean Central Bank.

BANK SECRETARY:
Mrs. Patricia Simon

BOARD OF DIRECTORS:
Mr. Stanford Simon, *Chairman*
Mr. Percival Clouden, *MBA - Deputy Chairman*
Mr. Mervyn Lord, *MSc, BSc (Hons)*
Mr. Kendall Alexander, *MPP*
Ms. Sheila Harris, *LLB(Hons), LLM*
Mr. Marlon St. Louis, *BSc, MTA, MCSA, MSCE*
Mr. Earl Charles, *Msc, MBA*
Mr. Marvin Andall

MANAGEMENT:
Mr. Mervyn Lord – *Manager*
Miss. Genevieve C. Gibbs – *Systems Administrator*
Mrs. Janel Jeremiah – *Administration/Human Resource Manager (AG.)*
Mrs. Patricia Simon – *Bank Secretary*
Mr. Alister Bain – *Senior Project Officer*
Mr. Donald Williams – *Credit Manager*
Miss. Johanne Francis – *Accountant*

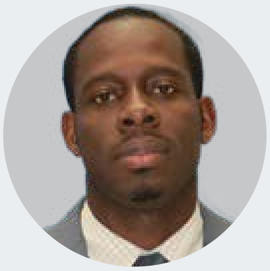
Board of Directors

Mr. Stanford Simon,

Chairman

Mr. Percival Clouden,
MBA
Deputy Chairman

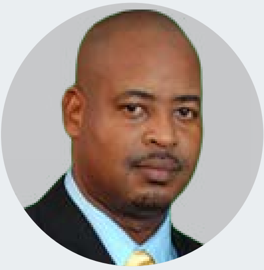
Mr. Mervyn Lord,
MSc, BSc (Hons)
Manager/Director



Mr. Kendall Alexander,
MPP
Director

Ms. Sheila Harris,
LLB(Hons), LLM
Director

Mr. David Phillip,
PGDip
Director



Mr. Marlon St. Louis,
BSc, MTA, MCSA, MSCE
Director

Mr. Earl Charles,
Msc, MBA
Director

Mr. Marvin Andall

Director

Chairman’s Letter of Transmittal

Dr. The Right Honourable Keith C. Mitchell
Minister for Finance
Ministry of Finance
Financial Complex
The Carenage
St. George

Dear Minister,

Pursuant to Cap. 129, Section 18 of the Grenada Development Bank Act, I have the honour to submit to you the Annual Report and Audited Financial Statements of the Bank for the Financial Year ended December 31, 2016.

Yours faithfully,

Stanford Simon

CHAIRMAN'S MESSAGE

The year 2016 marked the ninth consecutive year of the Bank realizing operating profits and the first time in its over 51-year history to declare a dividend payment to the Government of Grenada.

On behalf of the Board of Directors of the Grenada Development Bank, I am pleased to present the 2016 Annual Report which provides a wide and explanatory overview of the Bank's performance for the period January to December 2016.

The year 2016 marked the ninth consecutive year of the Bank realizing operating profits and the fifth consecutive year of net profits, with 2010 and 2011 being the only two years that resulted in net losses. This was due to accounting for impairment losses on two separate investments. On behalf of the Board of Directors I am also pleased to declare, for the first time in the Bank's history, a dividend payment of $31K to the Government of Grenada which is the sole Shareholder of the Bank.

Before I present some highlights of the Bank's performance, it is important to understand the economic environment in which the Bank operated.

Economic Review

Based on the 2017 budget speech, the Grenadian economy continued to expand in 2016 recording for the second consecutive year, the largest growth of real GDP in the Eastern Caribbean Currency Union (ECCU). It was estimated that the real GDP of Grenada expanded by an estimated 3.4% in 2016 as compared to the average estimated for the ECCU of 3%.

As indicated in the aforementioned budget speech, growth continued to be broad based with most of the sectors recording positive performances; however, the sectorial composition remained virtually unchanged. Education continued to be the largest contributor to GDP contributing approximately 22.9% in 2016. This represents a 2.5% expansion over 2015 which was largely due to a 6.4% expansion in student enrolment at the St. George's University.

Tourism, which is another key contributor to the GDP showed expansion in the first three quarters of 2016 when compared to the same period of 2015. Stay over visitors increased by 3.2% from 107,183 for the period up to September 30, 2015 to 110,569 for the said period in 2016 and cruise ship passengers increased by 34% from 157,921 in 2015 to 211,649 in 2016.

Growth was also experienced in the Construction sector due to ongoing private sector development being complemented by the implementation of public sector investments, including the start of work on the Parliament building, continuing work on Phase II of the St. George's Hospital expansion project, the Disaster Vulnerability Reduction Project and various road network improvements.

The indication of increased activities in the Construction sector can be ascertained by the value of imports that increased by 8.5% for the first nine months of 2016 compared to the corresponding period in 2015 while retail sales increased by 10.5%. In addition, the production of mining materials increased by 45.5% in volume and 41% in value during the period January to September 2016.

Notwithstanding the aforementioned sectorial growth in 2016, Agriculture experienced a decline and Fishing, although experiencing a 2% decline for the first 8 months of 2016, was expected to grow marginally by 0.5% for 2016. The decline in Agriculture was due to the severe drought conditions experienced in the first six months of 2016.

Bank's Performance

The Bank approved and disbursed more loans in 2016 than any other year in its history of existence. Ending 2015 with a total loan portfolio of $29.5M, the Bank approved loans at a total value of $24.8M in 2016 and $17.1M was disbursed. This compared favourably to $11.7M approved and $7.4M disbursed in 2015 - an increase of 112% and 129% respectively. As a result, the loan portfolio increased by 41% to $41.6M as at December 31, 2016. The Bank's funding for 2016 had a direct socio-economic impact on the Grenadian economy through the creation of 517 new jobs and the preservation of 171 existing jobs.

As the Bank focuses on becoming more sustainable, the significant portfolio growth in 2016 was one of the major contributing factors enabling the Bank to realize a net profit of $414.7K slightly surpassing the 2015 profit of $408.8K despite a substantial reduction in income from recoveries of Bad Debt of $364K or 54% in 2016 as compared with 2015. The return on assets for 2016 was 0.7% which is 0.3% under the benchmark for commercial banks but 0.1% higher than the benchmark set by the Caribbean Development Bank for the GDB for 2016.

The Bank's financial position was further strengthened with an increase in its capital employed by 20.84% from $46.9M in 2015 to $56.6M in 2016. This was mainly on account of the loan portfolio growth and drawdown on the new lines of credit approved.

The Bank's Non-performing Ratio continued on its downward trajectory reducing from 10.9% in 2015 to 7.41% in 2016 making the Grenada Development Bank one of the best performing development banks in the eastern Caribbean in terms of loan portfolio quality.

As the Bank continued its focus on delivering to its customers, 91% of the loans were approved within the required timeframe. In addition, an in-house survey conducted on the Bank's external customers revealed that 91.3% of them were satisfied with the service obtained from the Bank.

The Future

The strategic direction of the Bank is of utmost importance to the Board of Directors. The expansion and enhancement of its products and services is imperative as the Bank focuses on its vison to be the leading provider of development financing in Grenada, Carriacou and Petite Martinique. The continuous improvement in its delivery to its customers is also paramount and the Board understands that the Bank cannot achieve its vision without a highly motivated and productive management and staff. Therefore, significant emphasis will be placed on acquiring the right tools, training, job enrichment and job satisfaction as well as rewarding and recognizing excellent performers.

The strategic direction of the Bank will be detailed in a new five-year Strategic Plan for the period 2017-2021. The implementation of the Plan will commence in 2017 and will guide the strategic path of the Bank over the next five years. This Plan was informed by a stakeholders' consultation with representation and input from all the critical sectors of the economy. In the consultation, the Prime Minister and Minister of Finance, Dr. the Rt. Honourable Keith Mitchell, was instrumental in providing the Government's vision for the Bank. Separate brainstorming sessions were held with the Board and Management that also informed the strategic way forward. Important contributions were also made by the staff as the Bank endeavoured to be very inclusive as it charted its way forward.

Appreciation

On behalf of the Board of Directors, I would like to thank the Bank's valued customers for their unwavering support, the management and all the staff of the Grenada Development Bank for their efforts in implementing its strategy and in achieving its goals and objectives for 2016.

I also express my sincerest gratitude to the Government of Grenada for the invaluable assistance rendered to the Bank, enabling it to access new lines of credit.

The Bank reaffirms its commitment to all of its valued customers and stakeholders and will continue to focus on areas that represent the best opportunities for the Bank, its customers and by extension the country. It will dedicate all its efforts to achieving a strong and sustainable growth rate and delivering on its strategic goals, as it endeavours to bridge the financing gaps in Grenada in a viable and sustainable manner while continuing to strengthen its financial position.

Stanford Simon
Chairman

Management Discussion & Analysis

Overview

The five year Strategic Plan culminated in 2016 with its focus being on transforming the Bank into the leading provider of sustainable and profitable development financing. Consequently, as is done annually, a list of priority objectives was extracted from the Plan to direct the Bank towards its vision. The Bank remains encouraged as over 84% of its targets for 2016 were either met or surpassed. Hereunder are the salient objectives that were achieved;-

Left to Right: Mr. Mervyn Lord, Mrs. Patricia Simon, Mr. Alister Bain, Mrs. Janel Jeremiah, Miss. Genevieve Gibbs, Mr. Donald Williams, Miss. Johanne Francis

1. *Funding*
   - » The minimum of $3M funding for housing development was received two months ahead of the projections and committed within four months of receipt of the funds.

2. *Sustainability and Profitability*
   - » The loan portfolio was increased by 41% from $29.5M to $41.6M; 25.75% higher than projected in the priority objectives.
   - » The Non-performing Ratio reduced from 10.9% to 7.41%. This is 1.59% better than forecasted.
   - » The Contamination Ratio was reduced to 11.48%, 3.52% better than projected and over 18% better than the Caribbean Development Bank's maximum benchmark.
   - » The Collections Ratio was significantly higher than the minimum benchmark of 85%.
   - » The Bank realized a Net Profit of $414.7K or 0.7% of its total assets employed.

3. *Relevance and Image*
   - » 91% of loan approvals were done within the required timeframe. This is 1% higher than the minimum benchmark for 2016.
   - » 91.3% of the external customers were satisfied with the Bank's service. This surpassed the benchmark by 1.3%.

4. *New and Innovative Products and Services*
   - » All the loan products were reviewed and revised one month ahead of the deadline. This was necessary to ensure that the products are in line with the customers' expectations.
   - » The Business Development Officer was appointed in the last quarter of 2016, notwithstanding a third quarter deadline. This officer will assist the Bank

in providing supervisory credit thus guiding and handholding the Small and Medium Enterprises (SME's) customers. This is vital in order to achieve a higher SME success rate and by extension, a better portfolio quality for the Bank.

5. *Institutional Strengthening and Corporate Governance*

» An action plan addressing the gaps outlined by the Change Management Consultant was completed before the required deadline and implemented within the timelines therein.

» The Bank generally implemented the Productivity Plan in line with the targets therein.

Notwithstanding the Bank's success in the achievement of its priority objectives, there were a few objectives such as the recruitment of a Public Relations Officer and the completion of the revised Bank Act that were not met. The Bank will endeavour to prioritize these objectives for 2017.

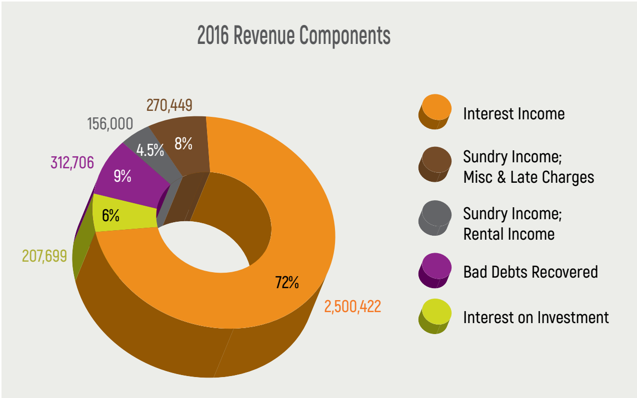
FINANCIAL ANALYSIS

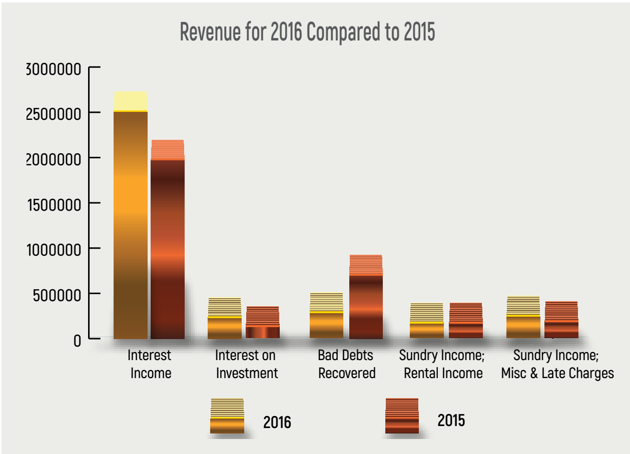
The year 2016 signified a new chapter in the operations of the Bank brought about primarily by greater access to funding. Notwithstanding the challenges which accompany growth, the continued thrust of sustained profitability remained in the fore resulting in a net profit of $414.7K. This has made 2016 the ninth consecutive year that the Bank has realised operating profits.

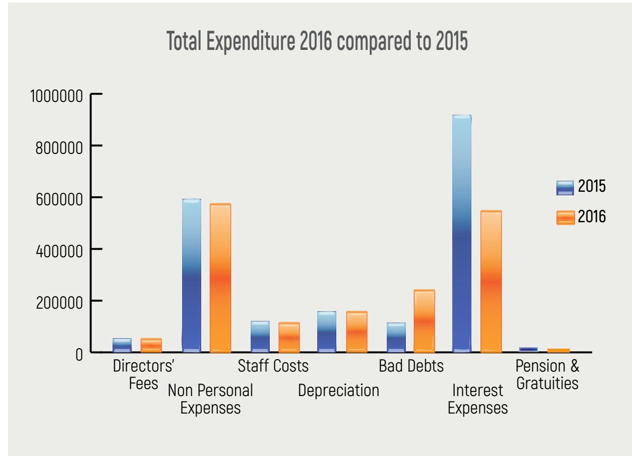
SELECTED FINANCIAL HIGHLIGHTS	2016	2015	2014	2013	2012
NET PROFIT/(LOSS)	414,660	408,834	236,100	1,618,908	87,651
TOTAL REVENUE	3,458,000	3,103,241	2,856,531	2,601,933	2,514,746
INTEREST INCOME	2,500,422	1,964,641	2,317,189	2,044,382	2,146,796
INVESTMENT INCOME	218,422	117,779	105,129	101,252	75,494
OTHER INCOME	739,156	1,020,821	434,213	456,299	292,456
TOTAL EXPENDITURE	3,043,341	2,694,406	2,620,431	2,316,106	2,427,095
BAD DEBTS	113,975	239,658	159,746	110,034	6,438
INTEREST EXPENSE	917,780	546,213	507,589	508,389	633,943
GENERAL EXPENSES	1,800,103	1,704,823	1,778,013	1,530,607	1,577,989

Revenue

Total Revenue increased by 11% or $344K from $3.10M in 2015 to $3.46M in 2016. The main factor driving this improvement was interest income, which is directly linked to the positive portfolio growth. This accounted for 72% of revenue or $2.5M.







Expenditure

Total expenditure increased by 13% or $349K in 2016 to $3.04M, resulting mainly from significant movements in the following expenditure categories:

» Staff Costs- 40% of total expenditure increased by 7% or $77K from $1.13M in 2015 to $1.20M in 2016. This was mainly due to the increased staff complement, increment payments, and awards to staff in recognition of their valuable contributions to the bank's operations.

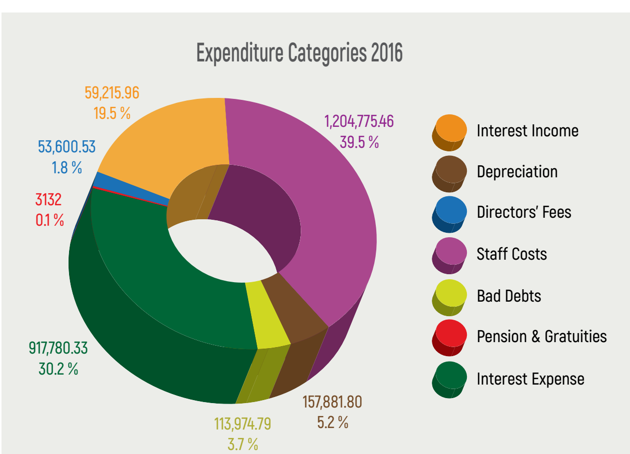
» Interest expense increased by 68% or $372K from $546K in 2015 to $918 in 2016. This was 30% of total expenditure and the result of increased debt service payments.

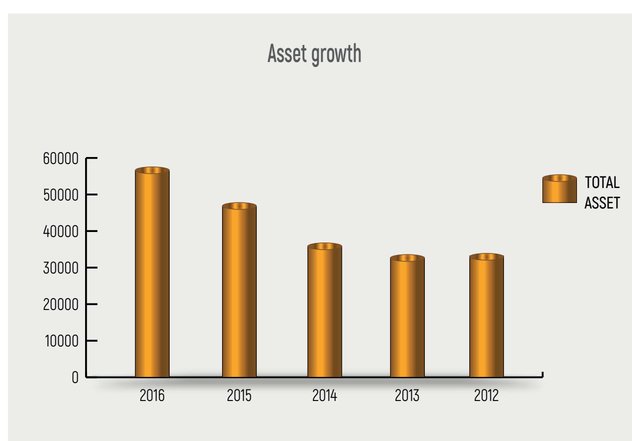
» Bad debts decreased by 52% or $126K from 240K in 2015 to $114K in 2016 due to the significant efforts to manage the non performing portfolio and maintain a healthy current portfolio. Doubtful debts were provided for in accordance with International Accounting Standards.

» The Non personnel component of General expenses (19% of total expenditure) increased by 3% or $19K from $573K in 2015 to $592K in 2016. This was the result of increased finance costs.

GDB's Financial Position

As at December 31st 2016, GDB's Total Assets were $56.6M compared to $46.9M in 2015. This growth in total assets of $9.76M or 21% was mainly due to growth in the portfolio of 41% or $12M; from $29.5M in 2015 to $41.6M in 2016.





The Debt to Equity ratio (total debt to total equity) increased to 1.37:1 in 2016 compared to 1:1 in 2015. This was due to increased borrowings in 2016 of $12M.
The standard requires a maximum ratio of 4:1, so the bank can therefore borrow up to $62.6M without the need for additional equity.

The Gearing ratio (total debt to total assets) was 58% in 2016 compared to 50% in 2015.

DIVIDENDS – Declared for the first time

Based on the 2016 financial performance, the Board of Directors declared dividends amounting to $31, 099.40 to the Government of Grenada. This amount represents 10% of the Net Surplus for the year 2016 and it is noteworthy that this is the first time dividends have been declared since the Bank's inception in 1965.

2017 Outlook

The Bank anticipates continued improvement in it's financial position in 2017 as the increased loan approvals and portfolio growth in 2016 will generate the associated full year's returns in Interest Income.

Additionally, the Government of Grenada has projected real GDP growth of 3% which should translate into increased revenues as customers take advantage of the various products offered by the Bank.

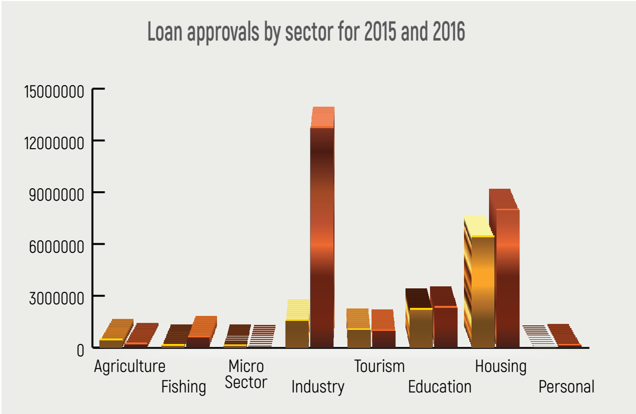
LOAN PORTFOLIO ANALYSIS

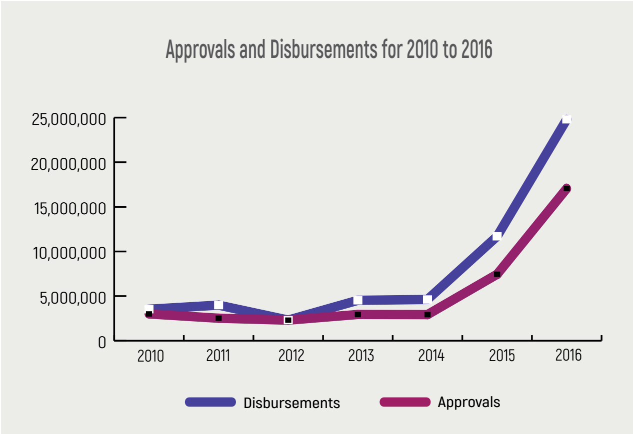
Loan Approvals and Disbursements

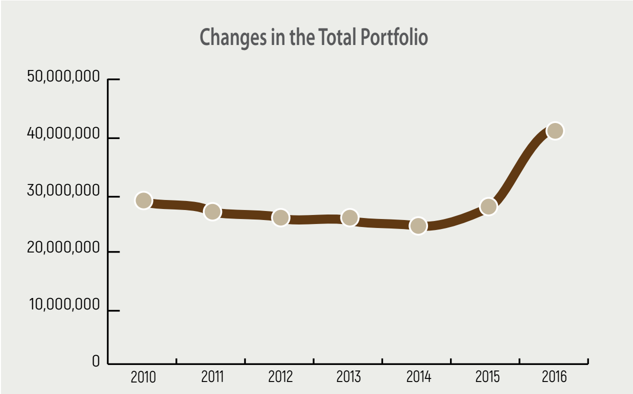
Loan approvals for the year ended December 31, 2016 totalled $24,807,939. Of this, Industry accounted for 51%, Housing 32%, Education 9%, and Tourism 4%. A total of 96% with the other four sectors; Micro sector, Agriculture, Fishing and Personal Lending accounts for just 4%.

The distribution of loan approvals for the year under review is presented in the chart below with comparatives for 2015.

Both approvals and disbursements significantly increased in 2016. Approvals moved from $11,698,660 in 2015 to $24,807,939 in 2016; an increase of approximately 112%. Disbursements in 2016 were $17,062,965, from $7,445,900 in 2015; an increase of approximately 129%. Transportation loan approvals accounted for the biggest increase in the Industry sector in 2016.

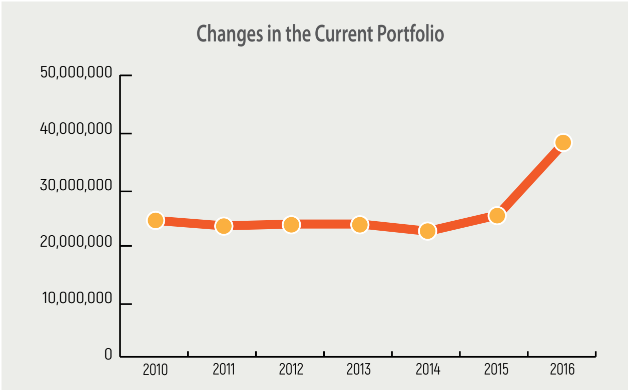


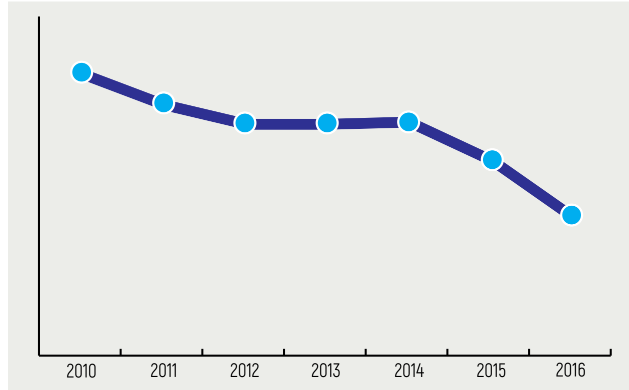


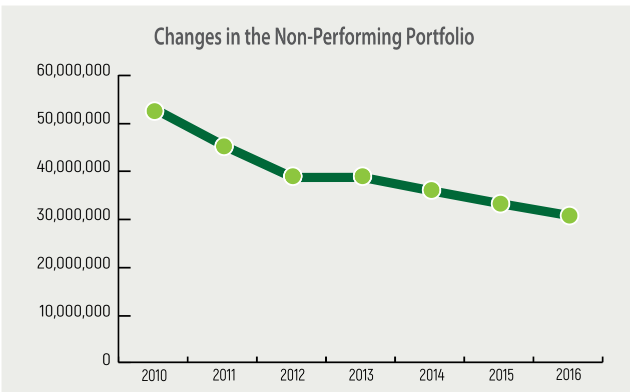


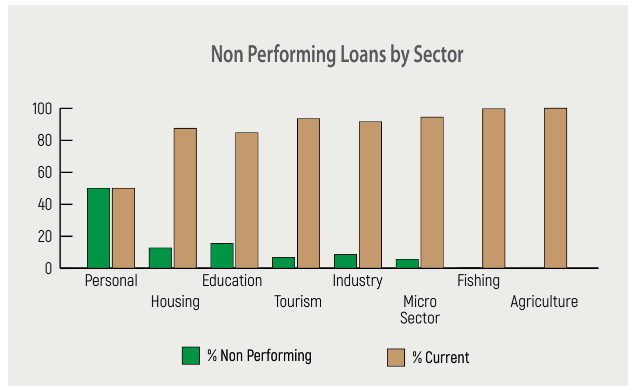
LOAN PORTFOLIO GROWTH

At the end of December 2016, the principal outstanding in the Bank's loan portfolio totalled $41.62M compared to $29.52M as at December 31, 2015. This represents an increase of approximately 41% and is the second consecutive year of growth after successive annual reductions from 2010 to 2014.









From 2010 to 2014, both the current and non-performing portfolios declined annually. The current portfolio declined at an average of 1.57% while the non-performing portfolio declined at an average of 8.02%.

In 2015 and 2016 the current portfolio recovered strongly recording a growth of approximately 15.86% in 2015 and 46.62% in 2016 while the non-performing portfolio continued to decline with decreases of 13.66% in 2015 and 4.67% in 2016.

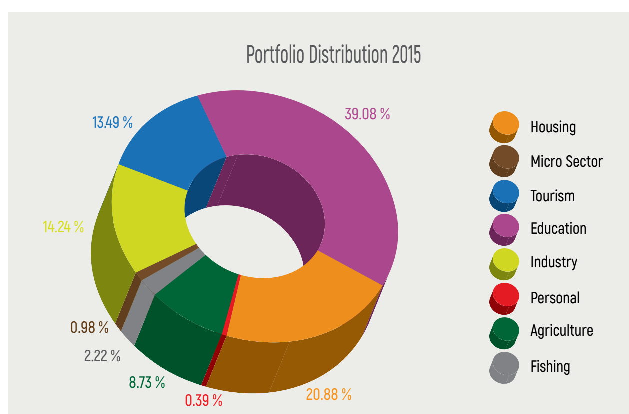
LOAN PORTFOLIO QUALITY

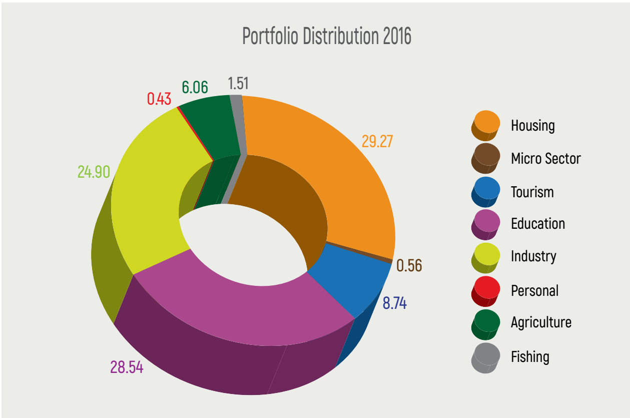
As at December 31st 2016, non-performing loans were 7.41% of the total loans outstanding compared to 10.96% in 2015 and 14.17% in 2014. This represents a continued decline from 2010 as shown in the chart hereunder.

Personal, Housing, and Education loans were the best performing sectors for the Bank, with 0.00%, 0.39% and 5.58% non-performing rates respectively, whereas, Agriculture, Micro Sector and Fishing accounted for the highest non-performing rates with 50.03%, 15.39% and 12.60% respectively.

PORTFOLIO DISTRIBUTION

The portfolio distribution continues to show improvement. In 2015, Education loans constituted over 39% of the total portfolio; an improvement over 2014 when it was 47%. In 2016, it reduced further to approximately 29%.





Over the same period (2014-2016) Housing, Industry and Tourism loans all showed increases in their share of the total portfolio. The following charts show the portfolio distribution as at December 31st 2015 and December 31st 2016 respectively.

SOCIO ECONOMIC IMPACT

The Bank's direct impact on the local socio-economic environment during the period January to December 2016 can be summarized as follows:

- 517 new jobs created.
- 171 existing jobs supported and preserved.
- 42 families provided with improved living conditions as a result of obtaining a new home or improving their homes.
- 20 young persons provided with study opportunities.

Funding was provided to 72 new projects within the productive sector valued at $18,963,466, which resulted in the creation of approximately 97 new jobs and direct support for 171 existing jobs as shown in the figure below. These do not include projects for which disbursement commenced during the previous year, and in addition to the permanent jobs, it is estimated that approximately 20 temporary jobs were created during the implementation phase of some of the projects funded.

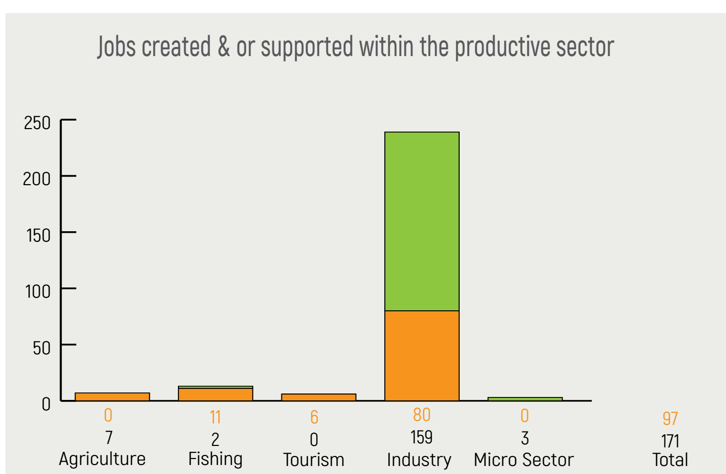
The Bank also financed 42 middle and low income housing projects to assist persons to better their living conditions. In addition, this financing resulted in the direct creation of approximately 400 jobs during construction.

Twenty young persons (14 females and 6 males) were provided with the opportunity to pursue tertiary education in various disciplines; 17 at undergraduate and 3 at post graduate level.

GDB Emphasises sustainable tourism

As a developing country, Grenada benefits from the tourism industry's positive financial, environmental and social impacts, through the creation of jobs, preservation and celebration of indigenous culture, reduction of poverty and the promotion of environmental conservation.

	Agriculture	Fishing	Tourism	Industry	Micro Sector	TOTAL
New Jobs Created	0	11	6	80	0	97
Existing Jobs Supported	7	2	0	159	3	171



In line with the Bank's vision of being a leading agent for socio-economic development and in alignment with governmental priorities, it strives to promote sustainable tourism in recognition of the sector's continued contribution to the development of the country's economy.

The Bank therefore constantly seeks to partner with leading players to bring development to the sector, while diversifying and improving the quality of products offered. In this regard, it is delighted to have been given the opportunity to work along with the promoters of two projects which is expected to contribute significantly to improving and modernizing the local tourism product and enhancing visitors' experience.

Grenada High Wire

Grenada High Wire zip-line challenge is an Eco Adventure set in the Grand Etang Rain Forest which features a canopy tour along multiple platforms. The obstacle course which runs for ninety minutes provides spectacular views of the river and the Seven Sister waterfalls from above.

Sun Life Enterprise

This project offers dune buggy adventure rides to Grenada's historic and natural sites along the coast, and through mountain roads and trails. Tours are done to areas such as Hog Island and the River Sallee Sulphur Springs providing guests with an off the beaten track adventure in Utility Recreational Vehicles.

Human Resource Development

Overview

The period January to December 2016 was nothing short of dynamic. It was a year filled with exceeded expectations, significant achievements and overall growth. The Change Management Programme which began in 2014 provided a framework for progressive actions to be implemented which helped to strengthen the weak areas within the Bank and to lay the ground work for building a new culture.

The Bank showed signs of the beginning of a cultural shift from being a complacent and reactive organization to one that now values the importance of innovation and proactivity. Amidst the successes, the challenge of maintaining the total wellbeing of staff presented itself anew. The need for continued development was ever glaring and it was clear that in order to cope with these cultural changes, the Bank's scope for staff care and development needed to be revisited. For the first time, the Bank provided counselling services to staff as a professional and developmental initiative, aiding them to cope with their responsibilities at work and even outside of the work environment.

It was also evident that the Bank's vision, mission and objectives were now better understood by staff as they demonstrated dedication towards completing their daily tasks and going the extra mile to ensure support is given wherever needed. Employees were definitely sacrificing more, contributing more and consequently producing more.

The Staff

Staffing

The hiring of a Business Support and Development Officer (BSD0) was one of the significant strides made during this period. In fact, it is one of the major achievements realized in 2016. The Bank now has a Business Support and Development Officer in the person of Miss Natasha Joseph and is proud to affirm that this decision relates to the expressed needs of the Bank's business customers for business counselling, handholding and other non-financial support. It is also evidence of the Bank's goal to positively impact Grenada's economy by providing customized support to business owners thus strengthening their ability to grow.

With the exception of the addition of the BSDO, the staff complement remained constant. With the growth experienced in 2016, it is now paramount for the Bank to revisit its human resource capacity by matching the availability of resources with its current and future needs.

Reward & Recognition

This year, the Bank gave employees the opportunity to critique its Reward and Recognition Policy and to indicate what motivates them towards improved performance. Staff embraced this opportunity fully, submitting a number of recommendations for management to consider. The Management Team looks forward to submitting an updated Reward and Recognition Policy for Board approval in 2017.

The leadership of the GDB values each member of its Team and has consistently sought to recognize employees where applicable through-out the year.

Miss. Lizter Padmore, Mrs. Veron Lewis Marshall, Miss. Jinaele Douglas

Miss. Jinaele Douglas,
Administration Clerk

Miss. Natasha Joseph
Business Support & Development Officer

Special Annual Awards

The Annual Employee of the Year award was presented to Miss Jinaele Douglas, Administration Clerk, who also won this Award in 2015. The 1st Runner up for the Employee of the Year Award was presented to Mrs. Veron Lewis Marshall, Recoveries Officer.

For the first time, External and Internal Customer Service Awards were presented. Receiving the External Customer Service Award was Miss Lizter Padmore, Acting Loans Officer, and the Internal Customer Service Award went to Miss Jinaele Douglas, Administration Clerk.

The Customer Service Awards were part of the Bank's efforts to encourage employees to constantly see themselves as sellers of the Bank's products and services and to see the Customer as their most valuable asset.

The Bank's annual training takes the form of daily coaching and mentoring by supervisors, cross training of staff between departments, in-house training seminars and workshops and seminars hosted in Grenada by local and regional organisations. To a limited extent, staff would also attend training seminars and workshops overseas.

In-house Training achieved:

1. Anti-Money Laundering Guidelines;
2. Emotional Intelligence Training for Supervisors/ Managers;
3. Understanding Personal Work-styles: Change Management Initiative;
4. Customer Service Refresher for front line staff;
5. Customer Service Excellence for all staff;
6. Cross Training: One (1) Administration Clerk was trained in the position of Cashier and the Cashier was trained in the position of Loans Officer.

Local Training attended

7. Effective Leadership, Management & Supervision Training - EMA Solutions;
8. Microsoft Office Training (Intermediate & Advance Level Excel) - Advantage Caribbean;
9. Effective Telephone Collection Seminar - Caribbean Asset Recovery Services;
10. Leader cast Conference - Business Support Center;
11. Corporate Governance Seminar - CAEC – Inaugural Accountants Conference;
12. Business Etiquette 123 - Alice Thomas-Roberts;
13. Devising an Effective Communication Strategy - EMA Solutions;
14. The Road map for Export Services – GCSI, Services Global;
15. Social Media Mastermind Retreat - A.J. Business solutions;
16. Building Quality Structures through Standards and the Building Code- Grenada Bureau of Standards (Consultation).

Training Overseas

17. Mortgage Underwriter Programme Module 1 REIC 2340/Mortgage Lending for Residential Housing - ECHMB & Real Estate Institute of Canada;
18. Workshop on Investment, Grade Calculation, Analysis and Financial Modeling for Sustainable Energy - CARICOM.

Looking back, the Bank can see success which is the result of a dedicated staff, without whom it would have been impossible to achieve its goals and objectives. The Bank has faced and conquered a number of challenges but it is not oblivious to the fact that there are still gaps to address and that forging ahead means encountering new challenges. The Bank is therefore determined to embrace these challenges as opportunities to grow and serve its customers better.

Small Business Development Fund

The Small Business Development Fund (SBDF) was established in September 2013 through a Memorandum of Understanding (MOU) between the Grenada Development Bank and the Government of Grenada. The principal objective of the programme was to address the significant levels of unemployment in the country and to stimulate economic activity through the provision of supervised credit to the Micro Business Sector.

The fund is administered by a Management Committee appointed by Cabinet which is the final approving body for all loan requests. The Management Committee also has the ultimate responsibility for the overall management of the fund.

The public's response was unprecedented and the number of applications received posed a challenge to the Small Business Department due partially to limited human resources. As a result, creative solutions are continually being explored to efficiently deliver this valuable service to our customers in 2017 and beyond.

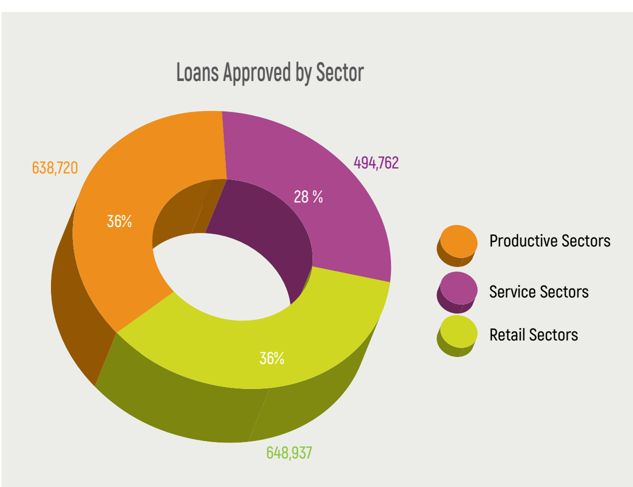
A total of 925 applications have been received since the inception of the programme with a value of $13.9M. Of this number, 751 or 81% were reviewed and considered for approval with the remaining 174 not assessable due to the aforementioned staffing limitations or a lack of supporting documentation. Since the launch of the programme, 524 loans or 70% of applications reviewed were approved with a value of $5.5M.

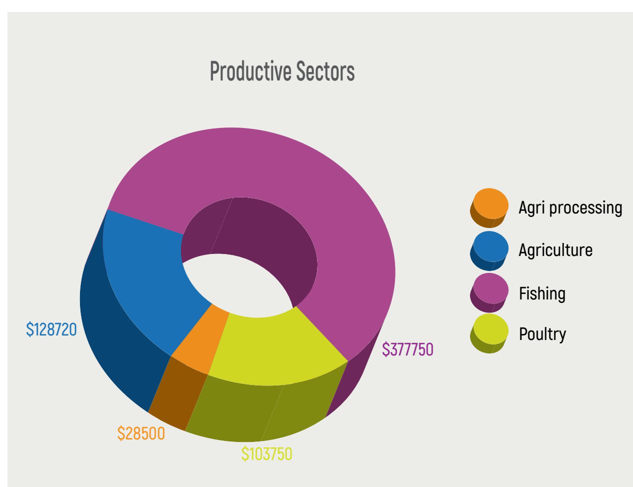
For the year ending December 31, 2016, 145 projects valued at $1,782,419 were approved with the Service Sector receiving the largest proportion of funding valued at $648,937. This represents 36.4% of the total approvals and is closely followed by the Productive Sector with approvals totalling $638,720 or 35.8%.

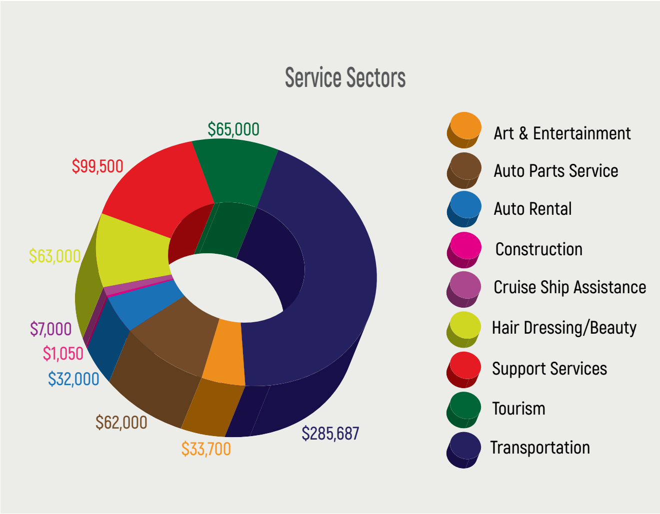
Retail which has traditionally been the largest sector, received $494,762 or 27.76% of the total funding for the year.

Service Sector

The Service Sector, historically the smallest beneficiary of the programme, experienced a significant increase in approvals to become the leading performer in 2016. This is primarily due to the recent agreement to provide financing for public transportation services. A total of 47 loans valued at $648,937 were approved for the sector with Public Transportation accounting for 17 loans with a value of $285,687.







Tourism services were among the sector's projects receiving a boost in financing in 2016. One of the featured ventures was the funding of Massage Vending Chairs at the Esplanade Mall. This, though common in North American Malls, is the first of its kind in Grenada and by all indications in the OECS.

Productive Sector

Fishing received the largest proportion of the $638,720 approved for the Productive Sector with endorsement given to 21 projects valued at $377,750 or 59% of the sector. Agriculture and Poultry were the other two major beneficiaries with approvals for 14 and 7 projects valued at $128,000 and $103,750 respectively.

Increased fish exports and associated foreign exchange earnings are the main reasons for the positive impact of the programme on the sector.

Several Pig Farming projects also received funding in 2016 contributing to the Government's Zero Hunger and Food Safety initiatives, while creating employment and economic opportunities in the rural communities.

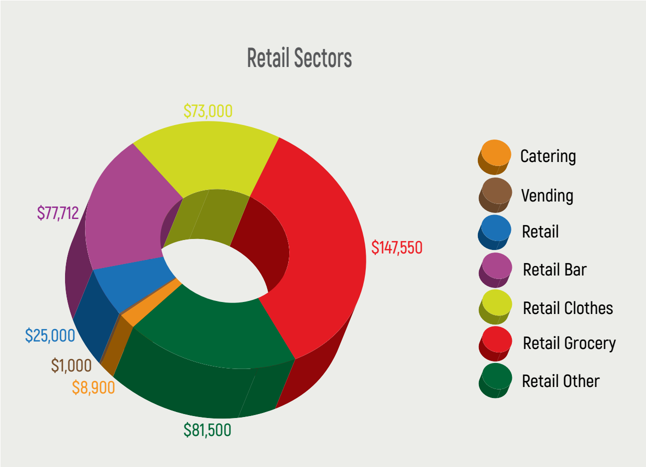
Retail Sector

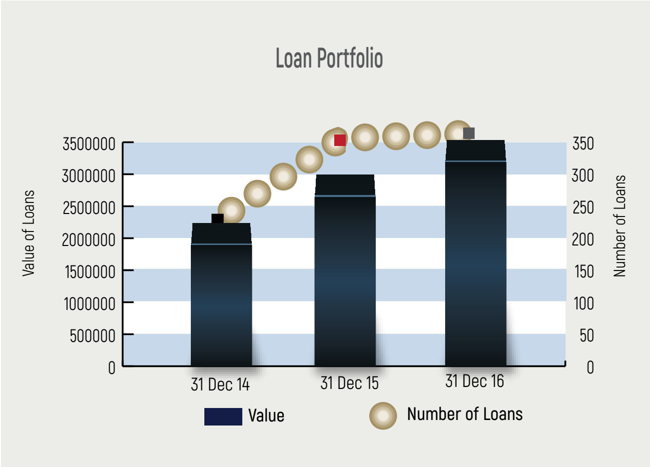
Although greater emphasis has been placed on the Productive and Services sectors in 2016, the Retail Sector has continued to receive assistance from the program to the tune of $494,762 or 27.9%, with support provided to grocery shops, bars and other retailers.

LOAN PORTFOLIO.

The loan portfolio at December 31, 2016 included 363 projects valued at $3,185,051 as compared to 355 projects valued at $2,641,769 at the end of December 2015. This represents a year on year increase of $543,281.43 or 21%. The end of 2014 saw 225 loans valued at $1,887,393.28.

Since the launch of the program to December 31st 2016, 480 loans with a value of $5,472,162.14 have been disbursed. One hundred and sixteen (116) of these have since been paid off to the tune of $729,174.85. Total principal payments of $2,287,111.14 were received from the inception of the fund, including remittances to loans in the current portfolio.





Collections for 2016 amounted to $1,275,272.34 and were used to finance new projects, allowing the program to meet the objective of creating a revolving fund for further financing.

ECONOMIC IMPACT.

The Small Business Development Fund has positively impacted the nation's economy by fostering entrepreneurship and enterprise through the provision of low cost funding for SMEs with limited access to financing.

Loan disbursements of $5,472,162 to projects over the existence of the programme have been spent primarily on purchases from local suppliers of goods and services, creating positive economic growth and income generation within the economy.

The programme has been responsible for the protection and creation of over 1000 jobs through the funding of various projects, creating not only self-employment but full and part time employment through agricultural, fishing, light manufacturing, retail and other SMEs.

In particular, the small artesian type fishing sector has been one of the major beneficiaries, with over 77 projects valued at $1.2M approved over the life of the programme. This has resulted in the preservation of approximately 194 jobs. The Fund has likewise provided working capital financing to several larger fishing projects on the sister islands of Carriacou and Petite Martinique.

This programme has also been pivotal in enabling 31 young people to secure employment on cruise ships by providing them with funding in the amount of $72,446.

The major focus of the programme in 2017 would be the growth and strengthening of the portfolio by providing training and mentoring for Small Business operators. The programme will also endeavour to create greater awareness of the available facility especially in the rural communities through its partnership with MAREP, GIDC and other stakeholders.

2016
Audited Financial Statements

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Independent Auditors' Report

To The Honorable Minister Of Finance

OPINION

We have audited the financial statements of Grenada Development Bank, which comprise the statement of financial position at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31st, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Independent Auditors' Report
To The Honorable Minister Of Finance (...continued)

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

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

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

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

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

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

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

PKF

GRENADA
March 9th, 2017

Accountants & Business Advisers

Statement of Financial Position

At 31st December, 2016 (...continued)

	Notes	2016	2015
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	5,948,764	6,082,894
Available-for-sale financial assets	5	25,001	25,001
Held-to-maturity financial assets	5	1,000,000	1,000,000
		6,973,765	7,107,895
Loans receivable - Principal	6	40,007,448	27,656,243
TOTAL NON-CURRENT ASSETS		46,981,213	34,764,138
Current Assets			
Loans receivable - Interest	6	135,988	145,361
Other assets	7	325,204	114,982
Loans and receivables financial assets	5	1,849,490	339,311
Cash and cash equivalents	8	7,344,280	11,505,555
		9,654,962	12,105,209
TOTAL ASSETS		$56,636,175	$46,869,347
EQUITY AND LIABILITIES			
Government's Equity			
Capital grants	9	1,040,000	1,040,000
Capital contribution	10	16,559,792	16,559,792
Reserve fund	11	1,157,748	1,054,083
Revaluation reserve	12	3,060,353	3,060,353
Retained earnings		2,007,021	1,727,126
		23,824,914	23,441,354
Non-Current Liabilities			
Long-term borrowings	13	29,436,967	20,038,093
Current Liabilities			
Other liabilities	15	665,403	1,212,831
Short-term borrowings	13	2,421,003	1,945,235
Amount due to projects	16	256,789	231,834
Dividend payable		31,099	-
		3,374,294	3,389,900
TOTAL LIABILITIES		32,811,261	23,427,993
TOTAL EQUITY AND LIABILITIES		$56,636,175	$46,869,347

The notes on pages 28 to 51 form an integral part of these financial statements

: Director

: Director

Statement of Comprehensive Income

For The Ended 31st December, 2016

	Notes	2016	2015
INTEREST INCOME			
Interest on loans	19	2,500,422	1,964,640
Interest on investments		218,422	117,779
		2,718,844	2,082,419
Interest expense	20	(917,781)	(546,213)
Net interest income		1,801,063	1,536,206
Other income	21	739,157	1,020,822
		2,540,220	2,557,028
EXPENDITURE			
Directors fees and expenses		(53,601)	(48,886)
General expenses	23	(1,754,937)	(1,700,853)
Pension and gratuities		(3,132)	(3,971)
Depreciation		(157,882)	(154,825)
Commitment fees		(42,034)	-
Bad debts		(113,975)	(239,658)
		(2,125,561)	(2,148,193)
Surplus for the year		414,659	408,835
Transfer to reserve fund		(103,665)	(102,209)
Net surplus for the year		$310,994	$306,626

The notes on pages 28 to 51 form an integral part of these financial statements

Statement of Changes in Government's Equity
For The Ended 31st December, 2016

	Reserve Fund	Capital Grant	Revaluation Reserve	Capital Contribution	Retained Earnings/ (Accumulated Deficit)	Total
Balance at 1st January, 2015	951,874	1,040,000	3,060,353	15,913,326	1,420,500	22,386,053
Net movement in capital contribution	-	-	-	646,466	-	646,466
Net surplus for the year	-	-	-	-	408,835	408,835
Allocation to reserve	102,209	-	-	-	(102,209)	-
Balance at 31st December, 2015	1,054,083	1,040,000	3,060,353	16,559,792	1,727,126	23,441,354
Net surplus for the year	-	-	-	-	414,659	414,659
Allocation to reserve	103,665	-	-	-	(103,665)	-
Dividends	-	-	-	-	(31,099)	(31,099)
Balance at 31st December, 2016	$1,157,748	$1,040,000	$3,060,353	$16,559,792	$2,007,021	$23824,914

The notes on pages 28 to 51 form an integral part of these financial statements

Statement of Cash Flows
For The Ended 31st December, 2016

	Notes	2016	2015
OPERATING ACTIVITIES			
Surplus for the year		414,659	408,835
Adjustment for:			
Depreciation		157,882	154,825
Change in non-cash items		572,541	563,660
Increase in loans receivable		(12,351,205)	(2,869,746)
(Increase)/decrease in other assets		(200,849)	55,640
(Decrease)/increase in other liabilities		(547,428)	162,213
Increase in amounts due to project		24,955	9,799
Net cash used in operating activities		(12,501,986)	(2,078,434)
INVESTING ACTIVITIES			
(Increase)/decrease in financial assets		(1,510,179)	(9,883)
Purchase of property, plant and equipment		(23,752)	(102,856)
Net cash used in investing activities		(1,533,931)	(112,739)
FINANCING ACTIVITIES			
Increase in Government Capital Contribution		-	646,466
Net movement in borrowings		9,874,642	9,799,137
Net cash provided by financing activities		9,874,642	10,445,603
Net (decrease)/increase in cash and cash equivalents		(4,161,275)	8,254,430
Cash and cash equivalents - at beginning of the year		11,505,555	3,251,125
- at end of the year	8	$7,344,280	$11,505,555

The notes on pages 28 to 51 form an integral part of these financial statements

Notes to the Financial Statements

At 31st December, 2016

1. CORPORATE INFORMATION

The Bank was established by the Grenada Agricultural and Industrial Development Act, 1976 for the purpose of granting loans and providing other forms of financial assistance for industrial and tourism development, housing, higher education, agricultural development and other development projects.

The corporate name Grenada Agricultural and Industrial Development Corporation was changed to the Grenada Development Bank by proclamation of People's Law No. 33 of 1980 which became effective on 18th July, 1980.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in Eastern Caribbean Currency Dollars. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and building.

The preparation of financial statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. New Accounting Standards, Amendments and Interpretations

i. There are no new standards, amendments or interpretations that are effective for the first time for the financial year beginning on or after 1st January, 2016 that would be expected to have a material impact on the Bank's financial statements.

ii. New standards, amendments and interpretations issued but not effective for the financial year beginning 1st January, 2016 and not early adopted. These either do not apply to the activities of the Bank or have no material impact on its financial statements.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONTINUED)

Standard	Description	Effective for annual periods beginning on or after
IAS 7	Statement of Cash Flows: Disclosure Initiative (amendments)	1st January, 2017
IAS 12	Income taxes recognition of Deferred Tax Assets for Unrealized Losses (amendments)	1st January 2017
IAS 40	Investment property: Transfer of Investment Property (amendments)	1st January, 2018
IFRS2	Share-based payment: Classification and Measurement of Share-based payment transactions (amendments)	1st January, 2018
IFRS 9	Financial Instruments: Classification and measurement	1st January, 2018
IFRS 15	Revenue from Contracts with Customers	1st January, 2018
IFRS 16	Leases	1st January, 2019

c. *Foreign Currency Transactions*

Transactions in foreign currencies are converted at the rates ruling on the dates of the transactions. Liabilities outstanding at the statement of financial position date are trans- lated to Eastern Caribbean Currency Dollars at the rate of exchange ruling at that date. Differences on exchange on current liabilities are reflected in the comprehensive income statement in arriving at net income for the year, while differences on long term loans are deferred until realised.

d. *Provision for Doubtful Loans (Classified debts)*

Provision is made based on the specific identification of doubtful receivables. As loans become uncollectible, they are written off against the provision. The total provision at 31st December, 2016 amounted to $1,610,745. (2015: $1,860,842).

Notes to the Financial Statements
At 31st December, 2016 (...continued)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONTINUED)

e. Property, Plant and Equipment

Land and building are stated at 2014 valuation less subsequent depreciation on building. However, additions to building thereafter are stated at cost. Depreciation is provided on the straight-line basis at varying rates sufficient to write off the cost or valuation of the assets over the period of their estimated useful lives. No depreciation is charged on land. The rates used are as follows:

Building	2.5%
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	25%
Computers	33⅓%

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same assets are charged against the surplus directly in equity; all other decreases are charged to the statement of income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at statement of financial position date.

The cost of property, plant and equipment replaced, retired or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss reflected in current operations.

f. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises cash on hand and at bank.

g. Interest

Accrued interest on loans is recorded in the statement of financial position in the related asset category. No credit is taken for interest due but uncollected after three months.

h. Financial Assets

The Bank classifies its financial assets into the following categories: held-to-maturity, loans and receivables and available-for-sale. Management determines the appropriate classification of its financial assets at the time of purchase and re-evaluates this designation at every reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONTINUED)

Available-for-sale
Investments are classified as available-for-sale as they are intended to be held for an indefinite period of time. These investments may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. These investments are stated at cost as fair market values are not available.

Loans and receivables
Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in active markets. They are included in financial investments and are classified as assets in the statement of financial position.

Held-to-maturity
Investments classified as held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has both the intent and the ability to held-to-maturity. These investments are stated at cost.

Fair value
Fair value amounts represent the approximate value at which financial instruments could be exchanged in current transactions between willing parties. However, the bank's financial instruments lack an available trading market and therefore it is not possible to determine independently the estimated fair values. The fair values of the financial instruments are therefore considered to the approximate their book value.

i. Borrowings

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortized cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Bank has an unconditional right to defer settlement of the liability for at least twelve (12) months after the statement of financial position date.

j. Financial Instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Bank's statement of financial position when the bank becomes a party to the contractual provision of the instrument.

Recognition and measurement
All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the Bank commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONTINUED)

J. Financial Instruments (...continued)

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset. Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

Impairment of financial assets
The Bank assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

i. Significant financial difficulty of the issuer or obligor.

ii. A breach of contract, such as default or delinquency in interest or principal payments.

iii. It is becoming probable that the borrower will enter into bankruptcy or other financial organization.

iv. The disappearance of an active market for that financial asset because of financial difficulties.

v. Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Bank or national or economic conditions that correlate with defaults on assets in the Bank.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONTINUED)

J. *Financial Instruments* *(...continued)*

Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the statement of comprehensive income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Bank's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements, are set out below.

Valuation of property

The Bank utilises professional valuators to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

Property, plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

Impairment of loans receivable

Provision is made for doubtful debts based on specific identification of doubtful balances. As debts become uncollectible they are written off against the provision.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Furniture, Fixtures and Equipment	Computers	Motor Vehicles	Total
Balance at 1st January, 2015						
Cost/Valuation	923,780	5,130,000	443,330	710,699	75,000	7,282,809
Accumulated depreciation	-	-	(409,402)	(663,544)	(75,000)	(1,147,946)
NET BOOK VALUE	$923,780	$5,130,000	$33,928	$47,155	$ -	$6,134,863
For the year ended 31st December, 2015						
Opening book value	923,780	5,130,000	33,928	47,155	-	6,134,863
Additions for the year	81,335	-	1,355	20,166	-	102,856
Depreciation charge for the year	-	(128,250)	(6,399)	(20,176)	-	(154,825)
NET BOOK VALUE	$1,005,115	$5,001,750	$28,884	$47,145	$ -	$6,082,894
Balance at 1st January, 2016						
Cost	1,005,115	5,130,000	444,707	730,887	75,000	7,385,709
Accumulated depreciation	-	(128,250)	(415,823)	(683,742)	(75,000)	(1,302,815)
NET BOOK VALUE	$1,005,115	$5,001,750	$28,884	$47,145	$ -	$6,082,894
For the year ended 31st December, 2016						
Opening book value	1,005,115	5,001,750	28,884	47,145	-	6,082,894
Additions for the year	-	-	20,914	2,838	-	23,752
Depreciation charge for the year	-	(128,250)	(6,500)	(23,132)	-	(157,882)
Balance at 31st December, 2016	$1,005,115	$4,873,500	$43,298	$26,851	$ -	$5,948,764
Cost/Valuation	1,005,115	5,130,000	465,621	733,725	75,000	7,409,461
Accumulated depreciation	-	(256,500)	(422,323)	(706,874)	(75,000)	(1,460,697)
NET BOOK VALUE	$1,005,115	$4,873,500	$43,298	$26,851	$ -	$5,984,764

Notes to the Financial Statements
At 31st December, 2016 (...continued)

5. FINANCIAL ASSETS

	2016	2015
AVAILABLE-FOR-SALE		
Eastern Caribbean Securities Exchange		
2,500 class C shares at $10.00 each - cost	25,000	25,000
Financial Data Systems Limited		
60,000 shares of common stock at $1.00 each - cost	60,000	60,000
Less: Provision for diminution in value of shares	85,000	85,000
	59,999	59,999
LOANS AND RECEIVABLES	$25,001	$25,001
Grenada Public Service Co-operative Credit Union Limited		
- Fixed deposit	349,490	$339,311
- Fixed deposit	1,000,000	-
Grenada Union of Teachers - Fixed deposit	500,000	-
HELD-TO-MATURITY	$1,849,490	$339,311
Government of Grenada - 6% 2016 bond (The rate of interest will be changed to 3% from January 1, 2017 and the duration will be 7 years).	$1,000,000	$1,000,000

6. LOANS RECEIVABLE

	2016	2015
Loans receivable – principal	41,618,193	29,517,085
Less: Provision for doubtful debts	1,610,745	1,860,842
	$40,007,448	$27,656,243
Accrued interest (3 months)	$135,988	$145,361

Notes to the Financial Statements
At 31st December, 2016 (...continued)

6. LOANS RECEIVABLE (...CONTINUED)

Loans receivable – principal by sector

	2016		2015	
Agriculture	2,522,408	6.06%	2,576,287	8.72%
Education	11,876,862	28.54%	11,534,403	39.08%
Fishing	626,589	1.50%	654,964	2.22%
Housing	12,179,584	29.27%	6,162,457	20.88%
Industry	10,361,936	24.90%	4,202,718	14.24%
Micro sector	232,714	0.56%	290,601	0.98%
Tourism	3,638,942	8.74%	3,980,583	13.49%
Personal	179,158	0.43%	115,072	0.39%
	$41,618,193		$29,517,085	

Movements in provision for loan losses are as follows:

	2016	2015
Balance at the beginning of the year	1,860,842	1,704,413
Bad debts recovered	(72,676)	(84,365)
Write-offs	(291,229)	-
Increase in provision	113,808	240,794
Balance at end of the year	$1,610,745	$1,860,842

Allowance for impairment losses by sector

Agriculture	792,139	805,987
Education	333,760	370,391
Fishing	-	135,285
Housing	5,823	15,990
Industry	133,320	158,967
Micro sector	35,809	78,724
Tourism	309,894	295,498
	$1,610,745	$1,860,842

Notes to the Financial Statements
At 31st December, 2016 (...continued)

7. OTHER ASSETS

	2016	2015
Matured investment – CLICO investment	810,000	810,000
Interest receivable	186,931	95,334
Accounts receivable	330,277	195,203
Prepayments	83,043	99,492
	1,410,251	1,200,029
Less: Impairment provision	1,085,047	1,085,047
	$325,204	$114,982

8. CASH AND CASH EQUIVALENTS

Cash on hand	1,200	1,200
Cash at bank	7,343,080	11,504,355
	$7,344,280	$11,505,555

9. GOVERNMENT CAPITAL GRANTS

a. $40,000

This amount represents Government's counterpart contribution under the terms of the Small Industry Credit Loan Agreement dated 30th September, 1974 with the Caribbean Development Bank.

b. $1,000,000

This amount represents Government's counterpart contribution under the terms of the "Second Consolidated Line of Credit - AIC/MF/SLS Loan Agreement dated 2nd September, 1988 with the Caribbean Development Bank.

10. GOVERNMENT CAPITAL CONTRIBUTION

Balance at 1st January, 2016	1,200	1,200
Contribution during the year	7,343,080	11,504,355
Balance at 31st December, 2016	$7,344,280	$11,505,555

Notes to the Financial Statements
At 31st December, 2016 (...continued)

11. RESERVE FUND

Pursuant to the Grenada Development Bank Act, the Bank is required to transfer a minimum of 25% of its net surplus to a reserve fund to meet contingencies and for such other purposes as the Bank deems fit.

12. REVALUATION RESERVE

	2016	2015
Revaluation surplus	$3,060,353	$3,060,353

The Bank's property was last re-valued in December 2014 by Joseph John and Associates Limited, professional valuators. The valuation was carried out using the open market value method. The excess of the revaluation over the carrying value totalled $462,562.

13. BORROWINGS

(a) Caribbean Development Bank (Note 14)	12,516,723	9,390,151
(b) National Insurance Board	2,816,620	3,270,541
(c) CARICOM Development Fund	7,524,627	5,322,636
(d) Eastern Caribbean Home Mortgage Bank	9,000,000	4,000,000
Less: Short-term portion	31,857,970	21,983,328
Long-term portion	2,421,003	1,945,235
	$29,436,967	$20,038,093

a. These loans are secured by guarantees from the Government of Grenada.

b. There are two (2) National Insurance Board loans as follows:

i. Loan A - Renovation loan

The sum of $1,000,000 was authorised and withdrawn. It is repayable over twenty-five (25) years by equal monthly instalments of $7,067.79 inclusive of interest, which began December 31st, 1999. Interest is charged at the rate of 7% per annum.

ii. Loan B

This loan was refinanced in 2014. It is to be repaid over seven (7) years at a rate of interest of 7%. The monthly repayment is $49,121.75 inclusive of interest which began in January 2015.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

13. BORROWINGS (...CONTINUED)

The loans are secured by a mortgage on the Bank's property at Melville Street.

c. The sum of $8,064,000 was made available and withdrawn as at the year-end. Interest only is payable at the rate of 3% per annum, with principal payments commencing in January 2017 over forty (40) equal quarterly instalments.

d. The sum of $9,000,000 was made available and everything was withdrawn at year end. Interest only is payable at the rate of 3.5% per annum, with principal payments to commence in November 2019 over sixty-four (64) equal quarterly instalments.

14. CARIBBEAN DEVELOPMENT BANK - LOANS

Note: These loans are in the name of the Government of Grenada with the Bank as the executing Agency.

15. OTHER LIABILITIES

	2016	2015
Amount due to Government of Grenada	1,270	820,124
Accrued interest	185,672	36,465
Accounts payable	478,461	356,242
	$665,403	$1,212,831

16. AMOUNT DUE TO PROJECTS

Youth enterprise initiative	$256,789	$231,834

These funds are disbursed for on-lending to the respective micro-businesses.

17. COMMITMENTS

At the statement of financial position date un-disbursed loans committed amounted to $7,856,877 (2015: $3,189,494).

Notes to the Financial Statements

At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT

The Bank's activities expose it to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest rate risk
- Operational risk

Risk is inherent to the Bank's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for risk exposures relating to their responsibilities.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the management of the Bank in compliance with the policies approved by the Board of Directors.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board has established two (2) committees, the Audit Committee and the Internal Loan Committee, which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. These committees report to the Board of Directors.

Audit Committee

The Audit Committee has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

Internal Loan Committee

This committee reviews applications for business loans up to $100,000, student loans up to $200,000 and mortgage loans up to $300,000.The Board of Directors considers for approval, loans over the limits of the Internal Loan Committee. All loans under the limits of the committee are considered for approval by the Manager.

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Credit Risk

Credit risk is the risk of financial loss to the Bank if a borrower or counter party to a financial instrument fails to meet its contractual obligations in accordance with agreed terms. The objective of the Bank's credit risk management function is to maintain credit risk exposure within acceptable parameters as the effective management of credit risk is a key comprehensive approach to risk management and is considered essential to the long-term success of the Bank. The Bank's exposure to credit risk arises primarily from the Bank's loans receivable which are given for national developmental purposes in all areas of industrial development. The priority areas for industrial development are identified by the Government of Grenada each year.

Significant changes in the economy or in the state of a particular industry segment that represents a concentration in the Bank's portfolio could result in losses that are different from those provided at the statement of financial position date.

Concentration of credit risk exists if a number of customers are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the bank's performance to developments affecting a particular industry or geographical location.

Management of credit risk

Loans

The management and oversight of credit risk of loans is executed by the management of the Bank, the Internal Loan Committee and the Board of Directors. There is a documented credit policy in place, which guides the bank's credit processes.

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers and to industry segments. Such risk is monitored on a revolving basis and is subject to an annual or more frequent review. The level of risk is set against economic factors and government priority areas.

Exposure to credit risk is managed through regular analysis of the ability of the borrower to meet interest and capital repayment obligations, obtaining collateral and corporate and personal guarantees, and by changing lending limits and adjusting interest rates within approved ranges where appropriate.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Other financial assets

With respect to credit risk arising from the other financial assets of the bank, which comprise accounts receivable and prepayments, cash and cash equivalents and investments, the Bank's exposure to credit risk arises from default of the counter-party with regards to cash and cash equivalents and investments. The Bank seeks to hold its funds with financial institutions which management regards as sound and the market for investments are monitored regularly to ensure that returns are realized.

Exposure to credit risk

The following table shows the maximum exposure to credit risk for the components of the statement of financial position, without taking account of any collateral held or other credit enhancements.

	Maximum exposure	
	2016	2015
Held-to-maturity financial assets	1,000,000	1,000,000
Available-for-sale financial assets	25,001	25,001
Loans and receivable financial assets	1,849,490	339,311
Loans receivable – Principal	40,007,448	27,656,243
Loans receivable - Interest	135,988	145,361
Other assets	325,204	114,982
Cash and cash equivalents	7,344,280	11,505,555
	$50,687,411	$40,786,453

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Exposure to credit risk *(...continued)*

Concentration of credit risk at 31st December, 2016

	Held-to-Maturity Financial Assets	Available-for- Sale Financial Assets	Loans and Receivables Financial Assets	Loan Receivable Principal	Loan Receivable Interest	Other Assets	Cash and Cash Equivalents	Total
Education	-	-	-	11,543,102	60,342	-	-	11,603,444
Agriculture	-	-	-	1,730,269	4,156	-	-	1,734,425
Fishing	-	-	-	626,589	1,402	-	-	627,991
Tourism	-	-	-	3,329,047	15,156	-	-	3,344,203
Housing	-	-	-	12,173,761	28,882	-	-	12,202,643
Micro- sector	-	-	-	196,905	1,080	-	-	197,985
Industry	-	-	-	10,228,617	24,522	-	-	10,253,139
Personal	-	-	-	179,158	448	-	-	179,606
Other	1,000,000	25,001	1,849,490	-	-	325,204	7,344,280	10,543,975
	$1,000,000	$25,001	$1,849,490	$40,007,448	$135,988	$325,204	$7,344,280	$50,687,411

Notes to the Financial Statements

At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Exposure to credit risk (...continued)

Concentration of credit risk at 31st December, 2015

	Held-to-Maturity Financial Assets	Available-for- Sale Financial Assets	Loans and Receivables Financial Assets	Loan Receivable Principal	Loan Receivable Interest	Accounts Receivables and Prepayment	Cash and Cash Equivalents	Total
Education	-	-	-	11,164,013	82,763	-	-	11,246,776
Agriculture	-	-	-	1,770,300	11,114	-	-	1,781,414
Fishing	-	-	-	519,678	152	-	-	519,830
Tourism	-	-	-	3,685,085	10,846	-	-	3,695,931
Housing	-	-	-	6,146,467	21,501	-	-	6,167,968
Micro- sector	-	-	-	211,877	1,313	-	-	213,190
Industry	-	-	-	4,043,751	17,454	-	-	4,061,205
Personal	-	-	-	115,072	218	-	-	115,290
Other	1,000,000	25,001	339,311	-	-	114,982	11,505,555	12,984,849
	$1,000,000	$25,001	$339,311	$27,656,243	$145,361	$114,982	$11,505,555	$40,786,453

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Exposure to credit risk (...continued)

Analysis of loans past due but not impaired before provision for loan losses:

	Neither past due nor impaired	Past due but not impaired 1-3 months $	3-6 months $	6-12 months $	Over 12 months $	Total $
		$	$	$	$	$
2016	37,137,615	1,437,781	-	-	3,042,797	41,618,193
2015	24,899,274	1,207,937	177,987	126,886	3,105,001	29,517,085

Individually impaired financial assets at 31st December, 2016:

	Value	for Impairment	Net book value 2016	2015
Loans	$3,082,698	$1,610,745	$1,471,953	$605,358
Available-for-sale financial assets	$85,000	$59,999	$25,001	$25,001
Matured financial assets	$810,000	$810,000	$ -	$ -
Interest receivable	$86,282	$86,282	$ -	$ -
Other receivable	$188,765	$188,765	$ -	$ -

Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The Bank has guidelines that set out the acceptability of different types of collateral and valuation parameters. The types of collateral held by the Bank are mortgage over properties, bill of sales over motor vehicles and other assets, liens over cash, bonds and shares, covenants over assets, and personal guarantees.

Estimates of fair values are based on value of collateral assessed at the time of borrowing and are generally not updated except when a loan is individually assessed as impaired.

Management monitors the market value of collateral, request additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Collateral (...continued)

It is the Bank's policy to dispose of repossessed properties of which the proceeds are used to repay outstanding balances on loans.

Impairment

Impaired financial assets are assets for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms. The main consideration for impairment assessment for loans receivable is known difficulties in the cash flows of the counterparty, or infringement of the original terms of the loan agreement.

Impairment allowances on individually assessed accounts are determined by an evaluation at the statement of financial position date on a case-by-case basis. The assessment normally encompasses collateral held and the anticipated receipts for the individual account.

Past due and not impaired

These are loans where the contractual interest or principal payments are past due but the Bank believes that impairment is not appropriate based on the quality and value of security available or the stage of collection of amounts owed to the Bank.

Write off policy

The Bank writes off a loan when it determines that the loan is uncollectible after considering information such as the occurrence of significant changes in the borrower's statement of financial position such that the borrower can no longer pay the obligation, and that proceeds from collateral will not be sufficient to recover the entire exposure.

Liquidity risk

Liquidity risk is the risk that the Bank will have difficulty in meeting its obligations from its financial liabilities.

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The Bank monitors its risks of a shortage of funds by considering the maturity of both its investments and the projected cash flow from operations to ensure that it is able to honour all its commitments when they fall due.

The aggregate value of the Bank's financial assets and liabilities into relevant groups based on the remaining period at the statement of financial position to the contractual maturity dates.

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Management of liquidity risk (...continued)

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Long-term borrowings	-	-	7,255,058	22,181,909	29,436,967
Other liabilities	665,403	-	-	-	665,403
Short-term borrowings	-	2,421,003	-	-	2,421,003
Amount due to projects	256,789	-	-	-	256,789
Balance at 31st December, 2016	$922,192	$2,421,003	$7,255,058	$22,181,909	$32,780,162
Long-term borrowings	-	-	8,737,523	11,300,570	20,038,093
Other liabilities	1,212,831	-	-	-	1,212,831
Short-term borrowings	-	1,945,235	-	-	1,945,235
Amount due to projects	231,834	-	-	-	231,834
Balance at 31st December, 2015	$1,444,665	$1,945,235	$8,737,523	$11,300,570	$23,427,993

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates primarily in The Eastern Caribbean and is therefore not subject to significant foreign currency risk. However, some of the Bank's transactions are in United States but there is no significant risk exposure.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Currency risk (...continued)

The aggregate value of the Bank's financial assets and liabilities by currency is as follows:

	EC$	US$	Total
Balance at 31st December, 2016			
Assets			
Held –to-maturity financial assets	1,000,000	-	1,000,000
Available-for-sale financial assets	25,001	-	25,001
Loans and receivable financial assets	1,849,490	-	1,849,490
Loans receivable-principal	40,007,448	-	40,007,448
Loans receivable-interest	135,988	-	135,988
Other assets	325,204	-	325,204
Cash and cash equivalents	7,344,280	-	7,344,280
	50,687,411	-	50,687,411
Liabilities			
Long-term borrowings	11,312,817	18,124,150	29,436,967
Other liabilities	606,212	59,191	665,403
Short-term borrowings	503,802	1,917,201	2,421,003
Amount due to projects	256,789	-	256,789
	12,679,620	20,100,542	32,780,162
Net currency exposure	$38,007,791	$(20,100,542)	$17,907,249

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Currency risk (...continued)

	EC$	US$	Total
Balance at 31st December, 2015			
Assets			
Held –to-maturity financial assets	1,000,000	-	1,000,000
Available-for-sale financial assets	25,001	-	25,001
Loans and receivable financial assets	339,311	-	1,849,490
Loans receivable-principal	27,656,243	-	40,007,448
Loans receivable-interest	145,361	-	135,988
Other assets	114,982	-	325,204
Cash and cash equivalents	11,504,072	1,483	7,344,280
	40,784,970	1,483	50,687,411
Liabilities			
Long-term borrowings	6,810,709	13,227,384	20,038,093
Other liabilities	1,048,125	164,706	1,212,831
Short-term borrowings	459,832	1,485,403	1,945,235
Amount due to projects	231,834	-	231,834
	8,550,500	14,877,493	23,427,993
Net currency exposure	$32,234,470	$(14,876,010)	$17,358,460

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Bank is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including loans.

The Bank's exposure is also managed through the matching of funding products with financial services and monitoring market conditions and yields.

Notes to the Financial Statements
At 31st December, 2016 (...continued)

18. FINANCIAL RISK MANAGEMENT (...CONTINUED)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those rising from legal and regulatory requirements and generally accepted standards of good corporate behaviour. Operational risks arise from all the Bank's operations. The Bank's objective to manage operational risk is assigned to senior management so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and for development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

» Requirements for appropriate segregation of duties, including the independent authorization of transactions.

» Requirements for the reconciliation and monitoring of transactions.

» Compliance with regulatory and other legal requirements.

» Documentation of controls and procedures.

» Requirements for the periodic assessment of operational risks faced, as the adequacy of controls and procedures to address the risks identified.

» Training and professional development

» Risk mitigation, including insurance where this is effective.

19. INTEREST INCOME

	2016	2015
CARICOM Development Fund loan	331,951	156,130
Caribbean Development Bank loans	699,102	519,507
Local loans	848,290	927,879
Business reactivation loans	254,900	330,982
National Insurance Scheme loans	10,453	11,414
Eastern Caribbean Home Mortgage Bank	355,726	18,728
	$2,500,422	$1,964,640

Notes to the Financial Statements
At 31st December, 2016 (...continued)

20. INTEREST EXPENSE

	2016	2015
CARICOM Development Fund	170,764	96,009
Caribbean Development Bank	246,950	164,334
National Insurance Scheme	220,353	239,788
Eastern Caribbean Home Mortgage Bank	279,714	46,082
	$917,781	$546,213

21. OTHER INCOME

Rental	156,000	156,000
Sundry	270,451	170,898
Bad debts recoveries	312,706	693,924
	$739,157	$1,020,822

22. RELATED PARTY TRANSACTIONS

i. Compensation of key management personnel of the Bank.		
Salaries and staff benefits	$594,450	$565,027
ii. Loans receivable from key management personnel and directors	$161,896	$8,485
iii. Interest income from key management personnel and directors	$982	$966

Notes to the Financial Statements
At 31st December, 2016 (...continued)

23. GENERAL EXPENSES

	2016	2015
Salaries, wages and allowances	1,004,689	955,365
National Insurance contributions	43,261	39,987
Security	37,763	38,156
Computer expenses	83,939	81,747
Subscription and donations	16,114	14,136
Postage	2,184	1,566
Office expenses	25,001	24,404
Advertising	17,499	22,900
Audit fees	23,500	23,500
Professional services	63,925	55,859
Bank charges	8,307	5,136
Entertainment	420	718
Motor vehicle expenses	13,415	8,709
Legal fees	30,673	36,023
Stationery and printing	44,043	40,947
Telephone and cable	44,798	61,729
Miscellaneous	6,531	4,342
Repairs and maintenance	21,677	15,923
Staff uniforms	22,093	20,927
Travelling and subsistence	83,495	63,342
Electricity	52,717	66,111
Rates and taxes	3,683	4,187
Staff training Staff training	19,086	41,131
Insurance	34,636	42,098
Recruitment cost	3,672	6,868
Staff functions and awards	38,533	22,133
Cash shortage	25	-
Corporate image and product development	9,258	2,909
	$1,754,937	$1,700,853

Acknowledgements

The Board wishes to recognise all the public, private, local, regional and international organisations that have contributed to the operations of the Grenada Development Bank during the year. In particular, the Board of Directors wishes to thank the Government of Grenada for sustained financial support, the Caribbean Development Fund, The Eastern Caribbean Home Mortgage Bank the Caribbean Development Bank and the National Insurance Scheme of Grenada for their continued financial and technical assistance.

The Board also recognises its Bankers Republic Bank of Grenada Ltd. and the RBTT Bank Grenada Ltd for their continued service. It also recognises the firms of Renwick & Payne, Ciboney Chambers, Danny Williams & Company, and the Law Office of Alban M. John, for their legal services. The Bank also acknowledges its External Auditors, PKF.

Finally, a special thank you is expressed to the Management and Staff of the Grenada Development Bank for their efforts over the past year and to the Bank's clientele for their continued support.

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GRENADA DEVELOPMENT BANK
P.O. Box 2300, Melville Street
St. George's, Grenada

Email: gdbbank@spiceisle.com   Website: grenadadevelopmentbank.com